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ABSTRACT

Findings of phase 1 of a study of the 1979-1980 Basic Educational Opportunity Grants validation, edits, and application processing system are presented. The study was designed to: assess the impact of the validation effort and processing system edits on the correct award of Basic Grants; and assess the characteristics of students most likely to misreport information on their applications. Included is an in-depth examination of the edits and application processing system, including analysis of applicants' behavior in response to various types of comments and changes in applicant eligibility status. Also considered is the effectiveness of pre-established criteria (PEC) in identifying groups of students most likely to make post-selection corrections resulting in student eligibility index changes. A comparison is made of corrections behavior, eligibility status and rejection rates, and key demographic characteristics of applicants by application source. Three recommendations concerning edits and three recommendations concerning PEC are offered. Comments generated for applicants that are related to critical fields of the applications are appended, along with a list of the reject reasons and their corresponding comments. A list of PEC and a glossary are also included, along with information on study objectives, the study population, and the research methodology. (SW)

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Prepared for:

Bureau of Student Financial Assistance
U.S. Office of Education
Department of Health, Education, and Welfare

AMS G-170

# VALIDATION, EDITS AND APPLICATION PROCESSING SYSTEM REPORT: PHASE I

May 28, 1980

In Response to:

Contract No. 300-79-0742

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HE 019 637

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May 28, 1980

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Reference: Validation, Edits and Application Processing System
Report: Phase I for Contract No. 300-79-0742
(AMS No. G-170)

Dear Ms. Cowan:

We are pleased to submit copies of the Validation, Edits and Application Processing System Report: Phase I. This report was prepared by Ms. Susan Gray, Mr. John Neely and Ms. JoAnn Kuchak, Project Director. We shall be pleased to respond to any questions you may have about this document.

Sincerely,

APPLIED MANAGEMENT SCIENCES, INC.

Todd S. Tucker, Ph.D.
President

TST/rcc
Enclosure

# QUALITY CONTROL ANALYSIS OF SELECTED ASPECTS OF PROGRAMS ADMINISTERED BY THE BUREAU OF STUDENT FINANCIAL ASSISTANCE

This report was prepared pursuant to Contract No. 300-79-0742. The amount charged to the Department of Health, Education, and Welfare for the work resulting in this report is $19,632. The names of the persons employed by the contractor with managerial or professional responsibility for such work are as follows:

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## EXECUTIVE SUMMARY

This is a report of the findings of the first phase of a study of the 1979-80 Basic Grant validation, edits and application processing system, based on the applicant file as of December, 1979. This study was designed to:

- assess the impact of the validation effort on the correct award of Basic Grants;
- assess the impact of the processing system edits on the correct award of Basic Grants; and
- assess the characteristics of students most likely to misreport information on their applications.

Specific recommendations based on major findings of the study follow. It should be noted that these findings must be viewed in light of three caveats. First, the data upon which the findings are based reflect only the early corrections behavior of applicants. Since transactions occuring after December 1, 1980 are not captured, the findings must be considered preliminary. Second, a Congressionally mandated change in the method by which SEI's (Student Eligibility Index) were computed for independent students, occurring midyear, resulted in the inclusion of artificial transactions which biased certain elements of the data base. The data elements considered most suspect are those related to the percentage of independent students correcting and the resulting SEI change. Finally, the following recommendations are based in part on the assumption that corrections represent a change from inaccurate to accurate information. The validity of this assumption should be confirmed by the 1979-80 Internal Revenue Services study before final recommendations are made.

### Recommendations Regarding Edits

Recommendation #1: With two specific exceptions, continue the existing edits.

Rationale: The data suggests that the edits have an equal, if not greater, impact on applicants' corrections behavior than selection for validation. Many validation and nonvalidation applicants have made substantial changes to their disadvantage that were apparently independent of validation. These changes may be attributed to the edits. Furthermore, the corrections behaviors of PEC validation applicants were not substantially different from those of applicants not selected for validation who met the PEC, suggesting that the edits corresponding to the PEC were working effectively. The reject edits corresponding to the

SSA and VA matches were particularly effective. These reject reasons, added to the system this year, were successful by all the following criteria: rate of corrections, rate of verifications, ability of applicants to re-enter the system and the magnitude of eligibility index change.

Recommendation #2: Reject reason F should be refined.

Rationale: This edit showed poor results in terms of low frequency of corrections and high frequency of verifications. One possible refinement which might enhance this edit would be not rejecting applicants with negative incomes. The 1974-75 and 1976-77 IRS studies showed that applicants reporting negative incomes are among the most accurate reporters of income and taxes. One further refinement to consider would be matching income with household size. The edit could read: "Income zero (sum of AGI, Portions and NTI, but not all blank) and household size 2 or greater, or income $500 and HS 3 or greater, or income $1,000 and HS 4 or greater, etc."

Recommendation #3: Reject reason E should be refined.

Rationale: This edit also solicited few corrections and a high percentage of verifications. Many applicants report having unusual expenses greater than $5,000, suggesting that the $5,000 level may have been outdated by inflation. A possible refinement would be to raise the level.

Recommendations Regarding the Pre-established Criteria

Recommendation #4: Serious consideration should be given to abolishing the following criteria: A-1, A-4, A-13, B-5.

Rationale: These criteria have proven to be consistently less effective than random selection in identifying applicants likely to misreport, when misreporting is determined by the rate of applicants correcting post-selection and the magnitude of the resulting SEI change.

Recommendation #5: OE should continue to use criteria A-6, A-15, B-2, B-3, B-4 in selecting applicants for validation, and if possible expand on the selection ceilings, particularly criterion A-6.

Rationale: Available data suggests that individuals with tax and income inconsistencies and certain categories of veterans may have high rates of potential misreporting.

Recommendation #6: Any proposed change to the edits or validation criteria should be pilot tested through simulation analyses prior to their implementation.

Rationale: While study findings have shown many of the changes to validation criteria and the edits to have achieved desired results, other changes have not. The likelihood for success would be increased for validation if new criteria and/or selection ceilings are tried out in the random sample and adjusted accordingly before being introduced into the 1981-82 system. Simulations concerning new edits would also be useful, but in a somewhat more limited way because while it would be possible to estimate the number of applicants who would be expected to receive the edit, it would not be possible to simulate accurate applicant responses to new edits. Even with this limitation, pilot simulations would be very helpful to the extent that major programatic changes do not occur in 1981-82.

# INTRODUCTION

This is the first of several reports prepared as part of Task I of a study to analyze existing data on the 1979-80 Basic Educational Opportunity Grant Program. The study, conducted for the Bureau of Student Financial Assistance (BSFA), is intended to provide BSFA with programmatically useful information on the impact of the application edit processing system and validation on the proper award of Basic Grants.

In order to obtain the information necessary for a complete picture of the edits and validation processes, Task I has been divided into three parts or phases. Phase 1 is the analysis of all data on the Basic Grants file at two points in time: December, 1979, and May, 1980. Analysis of the December data focuses on the rate of applicants making pre- and post-selection/eligibility correction, and on the magnitude of the resulting student eligibility index (SEI) changes. Analysis of May, 1980, data will primarily consider payment related variables such as scheduled award and expected disbursements. The analysis of these data, available only from the recipient file, is crucial in determining the actual impact of validation. Phase 2 is the development of an error prone-model which will help determine the characteristics of students most likely to misreport information on their application form. Phase 3 is the formulation of table specifications for inclusion in the routine statistics produced by BSFA.

This report presents the initial findings for Phase 1 of the study. As mentioned above, the first part of this Phase has as its foci applicants' corrections behavior and resulting SEI changes. Analysis of these variables provides information primarily on the effectiveness of the edit system and the adequacy of the Pre-established Criteria (PEC). Although some inferences can be drawn from the corrections behavior of applicants as to the effect of validation, the full impact of validation can only be ascertained through analysis of payment data. Thus, while this report highlights the edit system and the pre-established criteria, the next report will provide a more detailed look at validation.

It is important to note that the findings reported in this phase of the Task 1 study are preliminary, since applicants may continue to interact with the system through mid 1980. However, the trends reported here, are, in most instances, similar to those found in last year's Corrections Analysis Report and Pre-award Validation Analysis Study.

This report is divided into four chapters. The first chapter is a summary of the study objectives, the study population and the research methodology. The second chapter presents an in-depth examination of the edits and application processing system, including analysis of applicants' behavior in response to various types of comments and changes in applicant eligibility status. Chapter three details the effectiveness of the PEC criteria in identifying groups of students most likely to make post-selection corrections resulting in SEI changes, and begins to assess the impact of being selected for validation. Chapter 4 compares the corrections behavior, eligibility status and rejection rates, and certain key demographic characteristics of applicants by application source. Appendices at the end of the report provide further reference material that may be helpful.

# STUDY OVERVIEW

## 1.1 Purpose and Scope

For the 1978-79 academic year, the Bureau of Student Financial Assistance introduced three major program initiatives intended to ensure that applicants were submitting accurate information on their Basic Grant application form and to allow applicants flexibility in the method by which they applied for a grant. The new program procedures (1) tightened certain edits in the processing system, (2) required financial aid officers from post-secondary educational institutions to validate certain application information of selected students, and (3) allowed individuals to use one of four application forms to apply for Basic Grants.

Last year the Bureau of Student Financial Assistance contracted for analyses of the effect of these initiatives on the 1978-79 Basic Grant program. The resulting studies indicated that the tightened edits were for the most part very effective in identifying applicants likely to misreport. The impact of validation was much less clear; however, the studies suggested that in many cases the edits worked so well that validation was not necessary. In addition, the studies pointed out substantial differences in corrections behavior and rejection rates when applicants were compared by application source, thus raising questions as to the use of multiple application sources. Using the 1978-79 studies,

BSFA introduced new comments into the edit system this year (1979-80), and expanded the pre-established criteria used to select applicants for validation. This study analyzes the impact of those changes, and addresses other issues raised by BSFA staff. The following sections of this chapter outline the study objectives and questions, the study population, and the research methodology pertinent to this report -- the first report analyzing the operations of the edit system, the adequacy of PEC criteria, and the impact of validation selection for the 1979-80 school year.

## 1.2 Key Study Objectives and Questions

The broad objectives of Task 1 are three-fold: They are:

- to assess the impact of the validation effort on the correct award of Basic Grants;
- to assess the impact of the processing system edits;
- to assess the characteristics of students most likely to misreport information on their application.

The specific objectives and study questions which guided Phase 1 of this Task are divided into three sections (Edits and Processing System, Pre-established Criteria and Validation, and Multiple Data Entry Source), and are as follows:

- The Edits and Processing System
  - -- to determine which of the edits are eliciting the greatest number of corrections and/or resulting in the greatest EI change;
  - -- to determine whether the edits are systematically excluding certain applicant groups, such as low income applicants.
- The PEC Criteria and Validation
  - -- to determine whether the pre-established criteria (PEC) are more effective than the random selection process in identifying students likely to misreport data on their application;
  - -- to determine the relative efficacy of the pre-established criteria (PEC), particularly the new criteria, in selecting students for validation;



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-- to determine the type and extent of corrections made by validation applicants after their selection for validation, and whether their corrections' behavior differs substantially from that of applicants not selected for validation.

- Multiple Data Entry Sources

  -- to determine whether there are substantial differences in the demographic characteristics, corrections behavior and rejection rates of applicants applying through the different MDE sources.

## 1.3 Study Population

The study population for this report is all regular Basic Grant applicants on the applicant file as of December, 1979. The status of the applicants was as follows:

3,903,520 total applicants

- 91.3 percent applicants with acceptable (eligible and ineligible) applications
- o 8.7 percent rejected applicants

These applicants applied for Basic Grants through one of five application sources:

- 1,125,130 applicants, or 28.8 percent of the total applicant population applied through BEOG:
- 653,080 or 16.7 percent through ACT:
- 1,997,360 or 51.2 percent through CSS: and
- 127,950 applicants, or 3.3 percent of the applicant population through PHEAA.

In most cases, all regular applicant data were analyzed for the edits portion of this study; however, only eligible or previously eligible applicant data were used for the PEC and validation analyses. As in the 1978-79 Pre-award Validation Report, the total eligible applicant population was divided for comparison purposes into four subgroups. These comparison groups are:

- nonvalidation applicants, for comparison with validation applicants;
- nonvalidation applicants meeting PEC, for comparison with PEC validation applicants;
- randomly selected validation applicants, for comparison with validation applicants selected according to PEC; and

- randomly-selected validation applicants for comparison with nonvalidation applicants not meeting any PEC.

The numerical distribution of applicants according to these groups follows:

- 184,670 validation applicants selected according to PEC (about 6.6% of the eligible/previously eligible population);
- 47,660 randomly-selected validation applicants (about 2.7% of the eligible/previously eligible population);
- 471,710 nonvalidation applicants who meet at least one PEC (16.9% of the eligible/previously eligible population); and
- 2,051,270 nonvalidated applicants who did not meet any of the PEC (73.7% of the eligible/previously eligible population).

## 1.4 The Research Methodology

The research methodology used for this Phase of the Task I study is the construction of frequency distributions and bivariate contingency tables. The tables, in most cases, are similar to those developed last year and thus the data are comparable.

# 2

## IMPACT OF PROCESSING SYSTEM EDITS AND COMMENTS

The purpose of this chapter is to review the impact of the processing system edits and comments on applicants' corrections behavior. Section 2.1 provides a description of the edits and comments and an overview of applicant corrections in response to the processing system edits. Applicant response to individual rejection edits and comments is explored in Section 2.2, Section 2.3 describes the response to assumption edits and comments and Section 2.4 examines the income and household characteristics of applicants most often rejected.

### 2.1: An Overview

A new program procedure introduced by the Bureau of Student Financial Assistance for the 1978-79 academic year was the addition of new and more restrictive application processing system edits. The changes in the processing system for the 1979-80 year were not quite as radical. A few of the edits to critical fields have been made more restrictive (see Section 2.2), edits have been added for the Social Security and Veteran's benefits data matches, the texts for virtually all edit comments have changed, and the number of comments has expanded from 266 in 1978-79 to 317 in 1979-80.

For this analysis, we have examined only the comments generated for nonsupplemental applicants that are related to the following 14 critical fields: adjusted gross income, taxes paid, portions earned, nontaxable income, household size, number in postsecondary education, veteran's education benefits, net assets, unreimbursed tuition, applicant's

resources, unusual expenses, marital status, model (dependency status), and tax filing status. As of December, 1979, approximately 42 percent of all applicants had received at least one of the 176 critical field comments examined in this study. (See Appendix A). Approximately 5.2 million critical field comments had been generated at an average of 1.3 comments per applicant. About 46 percent of the critical field comments were rejection comments, 15 percent were assumption, and the remaining 39 percent were critical field comments not corresponding to the rejection or assumption edits. The following table summarizes the fields to which comments were most and least frequently received.

TABLE 2.1: COMMENTS, BY CRITICAL FIELD, MOST FREQUENTLY AND LEAST FREQUENTLY RECEIVED

| Most Frequently | | | Least Frequently | | |
|---|---|---|---|---|---|
| AGI | - | 46%[1/] | Model | - | 1% |
| TP | - | 40 | UT | - | 3 |
| Portions | - | 32 | AR | - | 3 |
| NTI | - | 28 | MS | - | 5 |

1/ Percentages are based on the total number of applicants who received critical field comments; they are also based on the unduplicated totals within, but not between, fields.

Conclusion #1: It is evident from the above table that the largest percentages of applicants receive comments to the most critical income fields in award computation. This may have occurred because the processing system has the most stringent requirements for those fields; it may also be indicative of questionable data being reported (or not reported) in these fields.

By December, 1979, 24 percent of all applicants had made a correction to a critical field. To determine the overall impact of the edits and to compare their influence with that of pre-award validation on applicant corrections behavior, the response modes of nonvalidation and validation

applicants were compared. Table 2.2, which follows, summarizes the frequency and magnitude of corrections made by nonvalidation and validation applicants both pre- and post-selection (or eligibility).

TABLE 2.2: COMPARISON OF CORRECTIONS TO CRITICAL FIELDS BY VALIDATION AND NONVALIDATION APPLICANTS

| | Validation Applicants | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | Pre-Selection | | | | Post-Selection | | | |
| | % Correcting | EI Change 1/ | % Correcting in Response to Edits | EI Change | % Correcting | EI Change | % Correcting in Response to Edits | EI Change |
| Total | 61.9% | -106 | 85.0% | + 8 | 24.5% | +138 | 32.1% | +120 |
| PEC | 71.6 | -118 | 85.1 | + 4 | 26.0 | +153 | 34.1 | +132 |
| Random | 24.5 | + 28 | 82.8 | + 55 | 19.0 | + 60 | 21.4 | + 16 |
| | | | | | | | | |
| | Nonvalidation Applicants | | | | | | | |
| Total | 18.2 | + 72 | 87.6 | + 78 | 3.7 | + 58 | 31.0 | + 36 |
| PEC | 71.3 | +109 | 94.4 | +110 | 5.1 | + 68 | 44.1 | + 83 |
| Not Meeting PEC | 6.0 | - 28 | 82.3 | - 40 | 3.4 | + 54 | 26.4 | + 9 |

1/ Average effective eligibility index change for those correcting critical fields.



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Conclusion #2: Over 80 percent of all pre-selection/eligibility corrections were in response to comments. Fewer post-selection/eligibility corrections were solicited by comments. It is interesting to note that validation applicants corrected in response to comments post-selection/eligibility more frequently than nonvalidation applicants.

Conclusion #3: Validation applicants, with the exception of the random group, corrected to their advantage pre-selection and to their disadvantage post-selection. Nonvalidation applicants corrected to their disadvantage both pre- and post-eligibility.

Conclusion #4: Validation applicants made large unsolicited changes to their advantage pre-selection. However, the changes pre-selection that were solicited by the edits were to the applicant's disadvantage.

Conclusion #5: Applicants, both validation and nonvalidation, who met the PEC made more frequent corrections that resulted in larger eligibility index increases in response to comments than applicants who did not meet the PEC. This suggests that the reject edits which correspond with the PEC are working effectively.

Table 2.3 presents correction behaviors of validation and nonvalidation applicants by critical field.

Conclusion #6: There were no notable changes in the fields most frequently corrected by each applicant group pre- or post-selection/eligibility. The fields can be divided into three groups, as follows:

| Most Frequently Corrected | Occasionally Corrected | Rarely Corrected |
|---|---|---|
| AGI | NA | Model |
| TP | HS | UT |
| NTI | Tax F.S. | AR |
| Portions | UE | VEB |
| | | MS |

TABLE 2.3: DIRECTION AND MAGNITUDE OF CHANGES TO CRITICAL FIELDS PRE- AND POST-SELECTION (OR ELIGIBILITY) FOR VALIDATION vs. NONVALIDATION APPLICANTS

| FIELDS | VALIDATION APPLICANTS' CORRECTIONS | | | | | | NON-VALIDATION APPLICANTS' CORRECTIONS | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | PRE-SELECTION | | | POST-SELECTION | | | PRE-ELIBIBILITY | | | POST-ELIGIBILITY | | |
| | Number Correcting | EI Change | % In Response To Comment | Number Correcting | EI Change | % In Response To Comment | Number Correcting | EI Change | % In Response To Comment | Number Correcting | EI Change | % In Response To Comment |
| Adjusted Gross Income | 92,220 [1] | + 32 [2] | 89.0% | 32,880 | +180 | 27.2% | 228,080 | +118 | 87.3% | 44,450 | + 87 | 20.6% |
| Taxes Paid | 59,930 | + 35 | 86.4 | 26,850 | +163 | 12.7 | 186,720 | +108 | 87.0 | 34,180 | + 83 | 6.4 |
| Model | 4,610 | -559 | 7.8 | 1,860 | + 77 | 2.7 | 23,190 | + 90 | 7.4 | 4,710 | + 60 | 2.3 |
| Nontaxable Income | 48,820 | -238 | 58.7 | 27,620 | +107 | 55.7 | 133,170 | +110 | 67.4 | 35,060 | + 81 | 21.8 |
| Veterans' Benefits | 7,080 | -291 | 92.8 | 2,250 | +149 | 70.2 | 24,650 | + 47 | 86.5 | 7,210 | - 8 | 80.6 |
| Household Size | 17,630 | -443 | 41.9 | 10,310 | +149 | 8.4 | 57,030 | - 18 | 39.4 | 15,940 | + 81 | 20.6 |
| Post High Education | 10,980 | -315 | 50.6 | 7,800 | +128 | 9.0 | 43,010 | + 72 | 31.0 | 10,490 | - 6 | 29.8 |
| Net Asset | 22,010 | -456 | 34.4 | 5,830 | +167 | 20.6 | 87,310 | + 18 | 57.4 | 15,280 | +110 | 15.6 |
| Unusual Expenses | 17,170 | -124 | 56.0 | 9,080 | +138 | 34.0 | 48,860 | + 74 | 48.0 | 13,710 | + 75 | 9.8 |
| Applicant Resources | 6,190 | -591 | 61.6 | 1,170 | + 89 | 27.3 | 13,480 | +105 | 11.4 | 3,360 | +128 | 18.4 |
| Marital Status | 11,040 | -460 | 35.4 | 2,760 | +173 | 5.8 | 45,680 | - 7 | 36.1 | 7,700 | + 88 | 18.4 |
| Tax Filing Status | 21,930 | - 87 | 78.9 | 8,970 | +120 | 2.4 | 108,160 | + 60 | 79.5 | 14,980 | + 20 | 9.7 |
| Unreimbursed Tuition | 5,770 | + 20 | 74.9 | 1,370 | +163 | 39.4 | 11,860 | + 79 | 62.8 | 2,740 | + 83 | 16.8 |
| Portions Earned | 48,590 | + 28 | 87.1 | 13,930 | +158 | 18.4 | 105,960 | + 25 | 80.6 | 19,720 | + 89 | 17.1 |

[1]/The frequencies are unduplicated totals within, but not between, groups.

[2]/The EI changes are for all corrections,, solicited by comments and unsolicited.

Conclusion #7: While over eighty percent of all pre-selection/ eligibility corrections were in response to comments, there was considerable variation by field in the applicants' corrections behavior. Fewer than half of the corrections to dependency status, household size, net assets and marital status were solicited by comments, whereas over 85 percent of the corrections to adjusted gross income, taxes paid and veteran's education benefits came after the receipt of an edit.

Conclusion #8: Validation applicants made large corrections to their advantage to nearly all fields pre-selection. Adjusted gross income and taxes paid, two of the fields which were changed to the applicants' disadvantage pre-selection, have the most numerous and restrictive edits of all critical fields. The data strongly suggests that the edits to adjusted gross income and taxes paid are working effectively.

Conclusion #9: Nonvalidation applicants changed all fields to their disadvantage pre-eligibility, with the exception of corrections to household size and marital status. This, plus the fact that fewer than 40 percent of the corrections to HS and MS were in response to comments, suggests that new or tightened edits might be needed for these two fields.

Conclusion #10: Validation applicants consistently changed fields to their disadvantage post-selection. There was no appreciable difference in the magnitude of the eligibility index change resulting from post-selection corrections to validation fields (those fields which financial aid officers are required to validate: AGI, TP, HS, PHE, MS and, in certain instances, NTI and VEB) and other critical fields.

Conclusion #11: The majority of nonvalidation post-eligibility corrections were unsolicited. The changes to fields made post-eligibility were, with the exception of corrections to veteran's education benefits and postsecondary enrollment, to the applicants' disadvantage; these corrections tended to be of less magnitude than those made post-selection by validation applicants.

## 2.2: APPLICANT BEHAVIOR IN RESPONSE TO INDIVIDUAL REJECT EDITS AND COMMENTS

This section examines applicant corrections on the transaction just subsequent to receiving a rejection by the processing system. As of December, 1979, 36 percent of all regular nonsupplemental filers had submitted unacceptable applications; that is they had received one or more rejection edits.

There are 43 rejection reasons, or edits, for nonsupplemental applicants. For this analysis, only those edits and rejection comments which affect critical fields (22 in all), and in particular those which correspond with PEC Group A subcriteria, were examined. Appendix B presents a list of the reject reasons and their corresponding comments which were used in this study.

The following groups summarize the reject reasons most frequently and least frequently generated:

| Most Frequently Generated Reject Reason Codes | | | Least Frequently Generated Reject Reason Codes | | |
|---|---|---|---|---|---|
| Code | | | Code | | |
| G - | reported tax computed tax by $300 and 50% of computed tax | 16.3%[1/] | R - | AR decreased by $300 | 0% |
| D - | combination verify | 15.3 | C - | HS 19 | .03 |
| F - | zero, negative or $51 income | 11.8 | A - | reported tax 50% AGI | .14 |
| 16 - | AGI blank and portion reported | 9.7 | K - | debts assets farm | .30 |

Each reject edit has one or more corresponding comments. The following presents the rejection comments most frequently given:

| Comment # | Code | % of Rejected Applicants Receiving Comment |
|---|---|---|
| 47 | G | 14.7%[1/] |
| 30 | E | 8.1 |
| 98 | F | 7.6 |
| 27 | D | 5.7 |
| 271 | 16 | 5.5 |
| 10 | B | 4.2 |

1/ Percent of rejected applicants receiving reject reason code. The percentages are calculated on the total number of rejected applicants and are based on unduplicated totals within, but not between, groups.

A large number of rejection comments were seldom generated: of the rejected applicants who received one of the 78 rejection comments examined in this study, fewer than 5 percent received any one of the 28 comments least frequently generated.

The following four criteria were used to analyze applicant response to each processing system edit and corresponding rejection comment(s):

a) frequency of corrections

b) frequency of verifications

c) magnitude and direction of corrections

d) ability of applicants to re-enter the system following corrections

a) Frequency of Corrections

Table 2.4 shows the percentage of all rejected applicants correcting in response to a rejection comment for each of the rejection reasons:

Observation #1: Reject reason F - zero, negative or less than $51 income - which was received by a relatively large percentage of rejected applicants and which corresponds with PEC A-4, solicited remarkably few corrections. Of the comments corresponding to code F, comment 98, generated for unmarried independent applicants, was least successful in soliciting corrections; comment 58 for dependents with married parents, was most successful:

Reason F Comments Soliciting Highest and Lowest Percentage of Corrections

| Comment # | AGI | TP | Portions | NTI |
|---|---|---|---|---|
| 58 | 23.8% | 12.0 | 27.8 | 17.8 |
| 98 | 10.6 | 3.5 | 8.5 | 8.7 |

Observation #2: Reason E - unusual expenses greater than income or $5000 (PEC A-3) - also resulted in a low percentage of corrections.



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TABLE 2.4: PERCENTAGE OF APPLICANTS CORRECTING CRITICAL FIELDS RELEVANT TO REJECT REASON CODES ON THE TRANSACTION JUST SUBSEQUENT TO RECEIVING THE REJECTION EDIT

| REJECT REASON CODE | FIELD | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | A.G.I. | T.P. | POR-TIONS | N.T.I. | V.E.B. | N.A. | M.S. | H.S. | U.E. | U.T. |
| A | 48 | 49 1/ | | | | | | | | |
| B | 60 | 37 | 24 | 15 | | | | | | |
| C | | | | | | | | 67 | | |
| D | 41 | 15 | 22 | | | | | | | |
| E | | | | | | | | | 22 | |
| F | 14 | 5 | 11 | 13 | | | | | | |
| G | 36 | 53 | | | | | | | | |
| H | | | | | | 72 | | | | |
| I | | | | | | 64 | | | | |
| J | | | | | | 32 | | | | |
| K | | | | | | 52 | | | | |
| L | | | | | | | | | | 36 |
| S | | | | 73 | | | | | | |
| T | | | | 76 | | | | | | |
| U | | | | | 41 | | | | | |
| V | | | | | 36 | | | | | |
| 7 | | | | | | | 81 | 69 | | |
| 8 | 60 | 50 | 51 | 57 | | | | | | |
| 9 | 47 | 39 | 17 | 19 | | | 26 | | 22 | 8 |
| 16 | 69 | 44 | 30 | | | | | | | |
| 17 | 42 | 72 | 35 | 38 | | | | | | |

1/ Percentages are based on the number of applicants rejected for each reject reason code who made corrections to critical fields on the transaction just subsequent to receiving the rejection edit. They are unduplicated within the field, but not within the reject reason code. For example, an applicant rejected for reason A might correct both AGI and TP.

Observation #3: Reasons S and T, generated when there is no social security match (PEC A-10 and A-11), solicited a high rate of corrections. Eighty-one percent corrected in response to comment 138, making it the most successful in terms of the frequency of corrections of the comments corresponding to reasons S and T; the least successful was comment 288, with 64 percent correcting.

Observation #4: In general, a high percentage corrected missing data. Reason 7 - marital status and household size blank (PEC A-1) - resulted in a high percentage of corrections. In response to reason 17 - taxes paid blank and AGI greater than zero (PEC A-7) - taxes paid is frequently corrected, likewise with reason 16 - AGI blank and portion reported (PEC A-8) - a high percentage correct AGI.

b) Frequency of Verification

The following table shows the percentage of applicants, by reject reason, who verified critical fields on the transaction just subsequent to receiving the reject reason:

TABLE 2.5: VERIFICATION BY REJECT REASON

| REJECT REASON CODE | % OF REJECTED APPLICANTS WHO VERIFIED | REJECT REASON CODE | % OF REJECTED APPLICANTS WHO VERIFIED |
|---|---|---|---|
| A | 6.45% | L | 22.52% |
| B | 6.76 | S | .05 |
| C | 10.41 | T | 0 |
| D | 22.15 | U | 0 |
| E | 49.24 | V | 0 |
| F | 44.25 | 7 | 0 |
| G | 14.30 | 8 | 0 |
| H | 8.30 | 9 | .8 |
| I | 14.92 | 16 | .6 |
| J | 48.32 | 17 | .2 |
| K | 33.59 | | |

Observation #1: There is a correlation between the percent who corrected and the percent who verified in response to a reject reason. A relatively high percentage verified while a low percentage corrected in response to reasons E and F; a large proportion corrected in response to S and T, while remarkably few verified.

Observation #2: As would be expected, very few are verifying in response to edits that request missing information be provided. (Edits 7, 8, 16 and 17.)

c) Magnitude and Direction of Corrections

Table 2.6 shows the magnitude and direction of the eligibility index change for applicants correcting critical fields in response to reject edits (See Appendix C for caveats concerning the interpretation of these findings):

Observation #1: Applicants made corrections resulting in large eligibility index changes to their disadvantage in response to reason 8, where the applicant is asked to provide missing income information, and reason B - combination verify. The following table presents the rejection comments corresponding to reasons 8 and B which solicited the highest and lowest eligibility index changes:

Reason 8 and B Comments Soliciting Highest and Lowest EI Changes By Field Corrected

| Comment # | Code | AGI | TP | Portions | NTI |
|---|---|---|---|---|---|
| 13 | B | +973 | +796 | +881 | +945 |
| 28 | 8 | +803 | +472 | +774 | +797 |
| 128 | B | +352 | +315 | +410 | +364 |
| 43 | 8 | +209 | +185 | +220 | +218 |

Note that the magnitude of corrections in response to comments within each reject reason varies somewhat. Comment 13, generated for married independents, solicited larger effective eligibility index changes than comment 128, which was given for the same reason as comment 13 but to dependents with an unmarried parent. Comment 28, for dependents with married parents, solicited larger corrections than comment 43, for unmarried independents.

TABLE 2.6: THE AVERAGE EFFECTIVE ELIGIBILITY INDEX CHANGE FOR APPLICANTS CORRECTING A FIELD RELEVANT TO THE REJECT REASON CODE1/

| REJECT REASON CODE | FIELD | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | A.G.I. | T.P. | POR-TIONS | N.T.I. | V.E.B. | N.A. | M.S. | H.S. | U.E. | U.T. |
| A | + 217 | + 101 | | | | | | | | |
| B | + 691 | + 613 | + 684 | + 637 | | | | | | |
| C | | | | | | | + 358 | | | |
| D | + 155 | + 270 | + 120 | | | | | | | |
| E | | | | | | | | | + 423 | |
| F | + 228 | + 404 | + 250 | + 128 | | | | | | |
| G | + 194 | + 163 | | | | | | | | |
| H | | | | | | + 58 | | | | |
| I | | | | | | + 91 | | | | |
| J | | | | | | + 52 | | | | |
| K | | | | | | + 155 | | | | |
| L | | | | | | | | | | + 373 |
| S | | | | + 266 | | | | | | |
| T | | | | + 201 | | | | | | |
| U | | | | | + 150 | | | | | |
| V | | | | | + 67 | | | | | |
| 7 | | | | | | | - 315 | - 186 | | |
| 8 | + 511 | + 543 | + 593 | + 497 | | | | | | |
| 9 | - 877 | - 911 | - 587 | - 595 | | | - 74 | | - 855 | - 690 |
| 16 | + 73 | + 98 | + 95 | | | | | | | |
| 17 | + 27 | + 32 | + 40 | + 72 | | | | | | |

1/Average eligibility index change is calculated from the transaction when the edit was received to the first subsequent transaction.

Observation #2: Corrections to reasons 7 and 9 resulted in large eligibility index changes to the applicant's advantage. It should be noted that this is the function of both edits: applicants who receive reason 7 have left household size blank and will automatically increased their award potential by providing the correct figure; and applicants receive reason 9 when marital status and the number of portions reported are inconsistent (most have incorrectly reported the income of a second person).

Observation #3: Corrections to the following reject reasons resulted in relatively small eligibility index increases:

17 - TP blank and AGI > zero
J - Debts > assets - business
H - Debts > assets - home

Applicants corrected to their advantage in response to two rejection comments corresponding to reason 17 - comments 280 and 282.

d) Ability of Applicants To Re-enter the System Following A Correction

Table 2.7 shows the percentage of applicants who corrected in response to a reject reason and remained rejected on the first subsequent transaction:

Observation #1: A high percentage of applicants correcting in response to social security (S and T) and veteran's benefits (U and V) edits were successful in re-entering the system.

Observation #2: A relatively high percentage of applicants who corrected fields in response to reason 9, marital status inconsistent with portions, remained rejected. It was noted above that applicants are making large corrections to their advantage in response to this edit.

Observation #3: Applicants correcting in response to the following edits were also relatively unsuccessful in re-entering the system:

8 - total NTI, AGI, and portions all blank
J - Debts > assets - business
E - AE > income or > $5,000



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TABLE 2.7: PERCENTAGE OF APPLICANTS WHO REMAIN REJECTED ON THE TRANSACTION JUST SUBSEQUENT TO MAKING A CORRECTION TO A FIELD RELEVANT TO A REJECT REASON CODE

| REJECT REASON CODE | FIELD | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | A.G.I. | T.P. | POR-TIONS | N.T.I. | V.E.B. | N.A. | M.S. | H.S. | U.E. | U.T. |
| A | 23 | 19 | | | | | | | | |
| B | 23 | 31 | 29 | 35 | | | | | | |
| C | | | | | | | 23 | | | |
| D | 22 | 33 | 29 | | | | | | | |
| E | | | | | | | | | 35 | |
| F | 23 | 32 | 42 | 20 | | | | | | |
| G | 29 | 23 | | | | | | | | |
| H | | | | | | 21 | | | | |
| I | | | | | | 20 | | | | |
| J | | | | | | 39 | | | | |
| K | | | | | | 27 | | | | |
| L | | | | | | | | | | 30 |
| S | | | | 16 | | | | | | |
| T | | | | 13 | | | | | | |
| U | | | | | 13 | | | | | |
| V | | | | | 21 | | | | | |
| 7 | | | | | | | 13 | 17 | | |
| 8 | 34 | 37 | 41 | 38 | | | | | | |
| 9 | 46 | 46 | 41 | 45 | | | 31 | | 46 | 48 |
| 16 | 23 | 29 | 28 | | | | | | | |
| 17 | 22 | 20 | 22 | 24 | | | | | | |

e) Conclusions

If the success of the reject reasons is measured by the percent correcting, percent verifying, the average effective eligibility index change and the percent remained rejected, then the following conclusions can be made regarding the relative success of the individual reject edits and their corresponding rejection comments.

Conclusion #1: Reject reason E - UE greater than income or $5,000 (PEC A-3) - solicited few corrections and had a high percentage of verifications. This suggests that a substantial number of applicants do in fact have unusual expenses greater than $5,000. With more higher income applicants (following the passage of MISAA) than in prior years and because of the general impact of inflation (i.e. increased medical and dental expenses), it follows that many applicants have UE greater than $5,000. In addition, a relatively high percentage of applicants who reported unusual expenses greater than $5,000 remained rejected for more than two transactions (See Section 3.4).

Conclusion #2: A relatively high percentage of rejected applicants were rejected for reason F - zero, negative or less than $51 income (A-4). Very few corrected and a relatively high percentage verified, suggesting that applicants with negative or very low incomes might not be misreporting to a great extent and thus are being unjustifiably singled out by the edit system (see section 3.4). Edit F was "tightened" for the 1979-80 processing year to include, not only applicants with zero or negative income, but applicants with income from $1 to $50.

Conclusion #3: A high percentage of applicants correcting in response to reject reason 9 -- number of portions inconsistent with marital status -- remained rejected. The texts of the comments corresponding to this edit are long; all ask for corrections to seven fields. The data suggests that the comments' directions, because of their length and relative complexity, could be confusing applicants and impeding many from re-entering the system.

Conclusion #4: The new edits involving the social security and veteran's benefits matches (S, T, U and V) appear to be working effectively. A relatively high percentage corrected (particularly in response to the social security edits), almost none verified, and a high percentage re-entered the system following corrections. In addition, these edits solicited corrections resulting in moderately high eligibility index increases.

Conclusion #5: Reason G - reported tax greater than computed tax by $300 and 50 percent of computed tax - is worth examining closely since a high percentage of rejected applicants met this reason. It appears to be working effectively: a high percentage corrected taxes paid, relatively few verified, and the rate of re-entry and magnitude of corrections were moderately high.

Conclusion #6: Although there is a substantial difference in applicant behavior in response to comments of different rejection edits, in general, there is not a notable difference between comments within each edit. The difference in response that does exist between comments of the same reject reason can probably be best explained by the population to which each comment is given (i.e., independent, dependent, married, unmarried.)

## 2.3: APPLICANT BEHAVIOR IN RESPONSE TO INDIVIDUAL ASSUMPTION COMMENTS

Assumption comments are generated when the processing system assumes a value for a missing application item based on other known information. Unlike rejection comments, assumption comments do not demand correction of application information since they may be given on a transaction when the applicant receives an eligibility index.

For this analysis, 23 assumption comments related to eight critical fields were examined. In total, 343,180, or 8.8 percent of all applicants, received assumption comments. The following groups show the types of assumption comments, by field, most frequently and least frequently received. The percentages are based on the total number of applicants receiving assumption comments.

| Most Frequently Generated Assumption Comments | | Least Frequently Generated Assumption Comments | |
|---|---|---|---|
| Field | % Received | Field | % Received |
| PHE | 56.9%[1/] | VEB | 9.3% |
| HS | 20.9 | PORTIONS | 8.3 |
| AGI | 11.8 | MS | 4.9 |
| TP | 9.4 | MODEL | 1.9 |

Of the individual assumption comments, the most frequently and least frequently generated were:

| Most Frequently Generated | | | Least Frequently Generated | | |
|---|---|---|---|---|---|
| Comment # | Field | % Received | Comment # | Field | % Received |
| 11 | PHE | 32.1%[1/] | 4 | MS | .4% |
| 19 | PHE | 24.9 | 15 | HS, MS | .5 |
| 31 | TP | 9.4 | 242 | AGI | .55 |

As would be expected, far fewer applicants corrected in response to assumption comments than rejection comments. Approximately 60 percent corrected in response to rejection comments while 8 percent corrected in response to assumption comments. The following groups summarize the assumption comments which solicited the highest and lowest rate of corrections:

| Most Often Corrected | | | Least Often Corrected | | |
|---|---|---|---|---|---|
| Comment # | Field | % Correcting | Comment # | Field | % Correcting |
| 37 | VEB | 33% | 242 | AGI | .5% |
| 38 | VEB | 17 | 40 | AGI | 1.2 |
| 14 | MS | 13 | 15 | HS | 1.2 |
| 5 | MS | 11 | | | |
| 17 | HS | 9 | | | |

Conclusion #1: A relatively high percentage corrected in response to veteran's education benefits comments, suggesting that the processing system's assumptions for veteran's educational benefits may be inaccurate.

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1/The percentages are calculated on the total number of applicants who received assumption comments and are based on unduplicated totals within, but not between, groups.

Conclusion #2: It appears that the processing system's assumptions regarding adjusted gross income (assume $0 if portions are both blank or zero) are accurate judging by the low percentage of applicants correcting. However, this should be confirmed through the Internal Revenue Study.

The average effective eligibility index change for those correcting in response to assumption comments was -332. The following groups show the comments that solicited the largest eligibility index increases and decreases:

| Comments Eliciting Largest EI Increase | | | Comments Eliciting Largest EI Decrease | | |
|---|---|---|---|---|---|
| Comment # | Field | EI change for those correcting | Comment # | Field | EI change for those correcting |
| 4 | MS | +106 | 6 | HS | -646 |
| 40 | AGI | + 87 | 21 | Model | -596 |
| 7 | AGI | + 53 | 11 | PHE | -494 |

Conclusion #3: The processing system appears to be underestimating household size since applicants made large corrections to their advantage in response to comment 6 - "if married assume H.S. is 2, if not married assume H.S. is 1."

Conclusion #4: In addition, changes in response to comment 11 - "if H.S. is blank or zero assume number in PHE is 1" - a comment frequently received, are causing large eligibility index decreases.

2.4: CHARACTERISTICS OF APPLICANTS WHO BECOME AND REMAIN REJECTED

There is concern that the processing system should not be excluding low-income, needy applicants. In order to address this concern we analyzed data on the status from previous to current transactions of applicants reporting various income and household data on their 1979-80 applications. The following table shows those characteristics of applicants most likely to (1) become rejected and (2) remain rejected for two or more transactions.

TABLE 2.8: CHARACTERISTICS OF APPLICANTS MOST FREQUENTLY REJECTED

| Applicant Characteristic | # Having Character-istic | % of Total Population | % Ever Rejected | % Remained Rejected Two or More Transactions |
|---|---|---|---|---|
| Marital Status | | | | |
| - Deceased | 1,930 | .04 | 100% | 59% |
| HS - Unknown | 35,100 | .9 | 95 | 53 |
| PHE - Unknown | 30,580 | .8 | 95 | 53 |
| AGI - Unknown | 82,140 | 2.1 | 98 | 29 |
| VEB - $7,000+ | 1,250 | .03 | 75 | 32 |
| UE - $12,000+ | 2,950 | .07 | 100 | 23 |
| UE - $6,001-9,000 | 3,950 | .1 | 100 | 19 |
| TP - Unknown | 141,960 | 3.6 | 61 | 29 |
| UE - $9,001-12,000 | 1,580 | .04 | 100 | 17 |
| PHE - 5+ | 12,420 | .3 | 51 | 17 |
| AGI - $0 | 653,410 | 16.7 | 93 | 8 |
| Population Average | | | 36 | 5 |

Conclusion #1: The greatest cause of rejection is missing data to key application fields.

Conclusion #2: All applicants with unusual expenses greater than $5,000 were rejected initially under reject reason E (see Section 2.2). A relatively high percentage of this group remained rejected for more than two transactions.

Conclusion #3: Applicants who reported a large amount of veteran's education benefits were rejected at a high rate. In fact, no matter what the amount reported, applicants with veteran's education benefits were rejected and remained rejected more frequently than the rest of the applicant population. Table 2.9 shows the rate of rejection by benefit level for applicants with veteran's education benefits.

Conclusion #4: A very high percentage of applicants who reported negative income were rejected; a relatively small proportion, however, remained rejected for more than one transaction. Previous studies indicate that applicants who report negative AGIs are not necessarily low income persons, but instead tend to be persons who have business or farm losses that offset income.

TABLE 2.9: REJECTION RATES FOR APPLICANTS WITH VETERAN'S EDUCATION BENEFITS

| Benefit Level | # Having Characteristic | % Of Total Population | % Ever Rejected | % Remained Rejected Two Or More Transactions |
|---|---|---|---|---|
| 0 | 3,028,070 | 77.6 | 33 | 3 |
| 1,001 - 2,000 | 70,010 | 1.8 | 70 | 6 |
| 2,001 - 3,000 | 49,120 | 1.3 | 40 | 5 |
| 3,001 - 4,000 | 50,470 | 1.3 | 41 | 7 |
| 4,001 - 5,000 | 20,000 | .5 | 37 | 7 |
| 5,001 - 6,000 | 14,030 | .4 | 38 | 8 |
| 6,001 - 7,000 | 560 | .01 | 42 | 9 |
| 7,001+ | 1,250 | .03 | 75 | 32 |
| Unknown | 756,630 | 19.4 | 43 | 8 |
| Population Total | | | 36 | 5 |

The following table shows the rate of rejection and the rate at which applicants remain rejected by income.

TABLE 2.10: REJECTION RATES FOR APPLICANTS BY INCOME

| Income Level1/ | Total Applicants | % of Population | % Ever Rejected | % Remained Rejected Two or More Transactions |
|---|---|---|---|---|
| <0 | 10,420 | .3 | 93% | 8% |
| 0 | 653,410 | 16.7 | 44 | 7 |
| 1 - 999 | 117,970 | 3.0 | 40 | 3 |
| 1,000 - 1,999 | 147,810 | 3.8 | 33 | 1 |
| 2,000 - 3,999 | 305,400 | 7.8 | 34 | 1 |
| 4,000 - 6,999 | 438,250 | 11.2 | 37 | 2 |
| 7,000 - 9,999 | 380,790 | 9.8 | 38 | 3 |
| 10,000 -12,499 | 267,910 | 6.9 | 37 | 2 |
| 12,500 -14,499 | 230,440 | 5.9 | 34 | 2 |
| 15,000 -17,499 | 218,240 | 5.6 | 31 | 1 |
| 17,500 -19,999 | 209,690 | 5.4 | 28 | 1 |
| 20,000 -24,999 | 365,480 | 9.4 | 25 | 1 |
| 25,000+ | 475,570 | 12.2 | 23 | 1 |
| Unknown | 82,140 | 2.0 | 98 | 60 |
| Population Average | | | 36 | 5 |

1/Income refers to adjusted gross income only; non-taxable income and veteran's educational benefits are excluded.

Conclusion #5: Applicants with income below $1,000, and in particular those reporting negative income, were initially excluded from the processing system at a higher rate than the population average.

Conclusion #6: There was little difference in the rates of rejection and the length of rejection among applicants with incomes from $1,000 to $15,000. Applicants with incomes over $15,000 were rejected and remained rejected slightly less frequently than the lower income applicants.

The following table shows the application characteristics for which applicants have the highest rates of attaining eligibility after rejection.

TABLE 2.11: APPLICANTS MOST LIKELY TO BECOME ELIGIBLE AFTER REJECTION

| Applicant Characteristics | % Of Total Applicant Population | % Previously Rejected, Currently Eligible |
|---|---|---|
| AGI - $ 1,000-1,999 | 3.8% | 82.1% |
| AGI - 1-999 | 3.0 | 80.2 |
| Net Ass. - 10,999-19,999 | 7.0 | 79.0 |
| AGI - 0 | 16.7 | 78.4 |
| AGI - 2,000-3,999 | 7.8 | 78.2 |
| Net Ass. - 5,000-9,999 | 4.1 | 77.6 |
| Net Ass. - 20,000-29,999 | 5.7 | 77.1 |

Conclusion #7: Even though applicants with negative or very low incomes were initially rejected at a higher rate than the rest of the population, they were most likely to re-enter the system with an eligible EI. Therefore, it is difficult to conclude that low income applicants are categorically excluded from the processing system.

It is more prudent to say that, because of reject reason F which rejects filers with very low or negative incomes, the processing system places hardships on very low income applicants but, as the data above shows, does not altogether exclude them from receiving grants.

# 3

# ADEQUACY OF PEC CRITERIA AND IMPACT OF SELECTION FOR VALIDATION

## 3.1: Introduction

As of December, 1979, the cut-off for information for this report, 232,330 applicants or about 8 percent of the applicant population on file had been selected for validation. Most of the applicants chosen for validation (79.5%) were selected using pre-established criteria (PEC); only 20.5% were selected randomly.

This chapter assesses the effectiveness of the PEC in identifying those students most likely to misreport information on their application, when misreporting is defined as the occurance of post-selection corrections and SEI changes, and the impact of being selected for validation when this is also determined by applicants' post-selection corrections behavior and SEI changes. The first part of this chapter (3.2 through 3.5) is concerned with the adequacy of the PEC while the second part (3.6 through 3.8) relates to the impact of validation.

## 3.2: The Study Questions

The specific study questions addressed in this chapter include the following:

- Are the PEC more effective than random selection in identifying the applicants most likely to make post-selection corrections which result in significant SEI changes?

- How effective are the PEC subgroups relative to each other and the random selection group in identifying applicants most likely to make post-selection changes? (i.e. which PEC subgroups have the greatest number of applicants submitting post-selection changes? the least number submitting changes?)
- In which PEC subgroups do applicant post-selection corrections result in the greatest SEI change? the least SEI change?
- Which PEC subgroups identify applicants making the greatest overall or composite changes when composite change is determined by combining the rate of applicant corrections with the magnitude of SEI change? The least change?
- Is there a correlation between fields considered "suspect" relative to each PEC subgroup and the corrections made by the subgroup?
- Which critical fields are corrected most by each PEC subgroup and in what direction is the resulting SEI change.
- Do validated applicants have similar rates of correction and SEI change as nonvalidated applicants? If not, for what PEC subgroups are the differences the greatest?

## 3.3: The Study Population

The analyses of the PEC criteria and the impact of validation are based upon the following distribution of validation and nonvalidation applicants.

TABLE 3.1: DISTRIBUTION OF VALIDATION AND NONVALIDATION APPLICANTS ON THE DATA FILE AS OF DECEMBER, 1979.

| | Total Applicants | % | Validation Applicants | % | Non Validation Applicants | % |
|---|---|---|---|---|---|---|
| Meeting PEC | 656,380 | 27 | 184,670 | 79 | 471,710 | 19 |
| Not meeting PEC | 2,098,930 | 73 | 47,660 | 20 | 2,051,270 | 81 |
| Total | 2,755,310 | 100 | 232,330 | 100 | 2,522,980 | 100 |

The eligible validation and nonvalidation applicants are further distributed according to pre-established criteria. The distribution by PEC subgroups is as follows:

TABLE 3.2: DISTRIBUTION OF ALL APPLICANTS MEETING PEC.

| PEC Group | Meeting Criteria | % of Total Population |
|---|---|---|
| PEC Group A | 620,640 | 21.7 |
| PEC Group B | 28,300 | 1.0 |
| PEC Group C | 16,890 | .6 |
| PEC Group D | 89,400 | 3.1 |

3.4: Background on the Pre-established Criteria

Several years ago the Bureau of Student Financial Assistance developed pre-established criteria, to help identify students most likely to misreport information on their BEOG application. The criteria, based on previous analyses of misreporters, set up categories of applicants with questionable information on their application and/or suspicious corrections behavior, and targeted a certain percentage of applicants in each category for validation.

The PEC have traditionally consisted of three groups: the A group is intended to identify applicants who have been rejected for reporting incomplete or inconsistent information, and who, through one or more corrections, have established eligibility; the B group relates to applicants who were previously ineligible, and who, through one correction have significantly reduced their eligibility index and are now eligible; the C group identifies eligible applicants who significantly reduce their highest eligibility index with one, continuous, official series of transactions. Each group is made up of several criteria which more finely define suspect applicant characteristics and behavior. Last year the number of PEC doubled from the number used in 1978-79. Eleven new subgroups were added to criterion A, three to criterion B, one subgroup to criteria C, and a new criterion group D (with 3 subgroups).

In addition, several changes were made in the existing criteria. The new A subgroups are concerned primarily with Veteran and Social Security Benefits and crossing B, C, and D criteria with A criteria; the new B and C criteria allow for crossing all possible combinations of B, C and D criteria. The addition of the D subgroup means that all A, B, and C subgroup criteria can be analyzed in relation to an applicant's tax filing status, and number of family members reported in post high school education. Appendix D at the end of this report lists the PEC used in 1979-80 and explains their meaning.

### 3.5: Adequacy of the Pre-established Criteria

The primary purpose of the pre-established criteria is to identify Basic Grant applicants who report questionable information on their application or who have a suspicious application transaction history and thus are good candidates for validation. To be considered effective, the PEC must have higher rates of applicants correcting and corrections that result in larger SEI changes than the random selection groups. The following section examines the effectiveness of the various PEC subgroups when effectiveness is judged by these factors. In addition, this section analyzes the relationship between "suspect" fields relative to each PEC subgroup and the corrections made by the subgroups.

Table 3.3 shows the percentage of applicants making post-selection/ eligibility corrections to critical fields and the resulting average effective SEI changes by PEC and randomly selected validation and nonvalidation applicants.

TABLE 3.3: CORRECTIONS AND EFFECTIVE EI CHANGES FOR VALIDATION AND NONVALIDATION APPLICANTS

| | Validation | | | | Nonvalidation | | | |
|---|---|---|---|---|---|---|---|---|
| | Total % Correcting Post-Sel. | Aver EI Δ | % Correcting Unsolicited | Aver. EI Δ | Total % Correcting Post-Sel | Aver. EI Δ | % Correcting Unsolicited | Aver EI Δ |
| PEC Applicants | 26% | 153 | 22% | 162 | 5% | 68 | 4% | 78 |
| Random Applicants | 19% | 60 | 17% | 66 | 3% | 54% | 3% | 68 |



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Conclusion #1: The data suggest that the pre-established criteria identify applicants likely to make post-selection corrections resulting in substantial SEI changes more often than the random selection process. This indicates that, in general, the PEC are an effective method of identifying likely misreporters.

### 3.6: Variation in Rates of Correcting and Direction of SEI Change

Within the PEC groups there tends to be substantial variation in the rate of applicants correcting post-selection and in the direction and magnitude of the resulting EI changes. Table 3.4 on the following page, shows these variations. It includes only validation applicants, since nonvalidation applicants are not, by programming definition, found in the PEC B, C, and D subgroups. Conclusions related to the table are divided into three sections: (a) those related to the rate of applicants correcting post-selection; (b) those related to the magnitude of the resulting SEI change; and (c) those considering both the rate of correction and the magnitude of change. One specific point should be mentioned before presenting and drawing conclusions from the table: that is, comparision of the rates of 1979-80 PEC applicants submitting post-selection corrections with similar data from the first report of the Pre-award Validation Study prepared for academic year 1978-79, shows that as of December 1979, a higher percentage of applicants had corrected critical fields than had corrected similar fields last year. Comparison of this year's data with that from the Final Report of the Pre-award Validation Study, however, shows similar correction rates. This indicates that applicants are having an easier time submitting corrections through the processing system than in 1978-79, and are not being impeded by a corrections backlog.

#### a) Rate of Applicants Making Post-Selection Corrections

Conclusion #2: Table 3.4 clearly shows that there is substantial variation in the rate of applicants submitting post-selection corrections when compared by PEC subgroup. PEC group D had proportionately more applicants correcting post-selection than any other group (39.6%). PEC groups B and A followed with 37.2 percent and 35.9 percent corrections rates, respectively. PEC group C had the lowest percentage of applicants correcting post-selection (33.8%). This rate is still significantly above that for the random selction group.

TABLE 3.4: CORRECTION RATE, EFFECTIVE EI POST-SELECTION CHANGE AND COMPOSITE EI CHANGE BY VALIDATED APPLICANT SUBGROUP

| Applicant Subgroup | Number Selected | % of Applicants Correcting 1/ Post-Selection | Average Effective EI Change | Composite 2/ EI Change |
|---|---|---|---|---|
| PEC | | | | |
| Group A | 148,930 | 35.9 | 84 | 3,016 |
| A-1 | 2,830 | 27.9 | 19 | 530 |
| A-2 | 75,420 | 35.5 | 43 | 1,527 |
| A-3 | 40,360 | 37.2 | 106 | 3,943 |
| A-4 | 20,930 | 36.3 | 15 | 545 |
| A-5 | 10,490 | 35.2 | 173 | 6,090 |
| A-6 | 47,420 | 34.9 | 196 | 6,840 |
| A-7 | 8,110 | 29.5 | 42 | 1,239 |
| A-8 | 9,160 | 32.0 | 98 | 3,136 |
| A-9 | 3,440 | 28.2 | 102 | 2,876 |
| A-10 | 23,120 | 40.1 | 85 | 3,409 |
| A-11 | 12,450 | 43.3 | 73 | 3,161 |
| A-12 | 2,790 | 22.9 | 52 | 1,191 |
| A-13 | 70 | 85.7 | 8 | 686 |
| A-14 | 7,580 | 41.4 | 127 | 5,256 |
| A-15 | 1,390 | 46.0 | 142 | 6,532 |
| A-16 | 520 | 25.0 | −145 | 3,625 |
| A-17 | 8,700 | 33.8 | 224 | 7,571 |
| A-18 | 840 | 27.4 | 12 | 329 |
| A-19 | 4,260 | 28.2 | 94 | 2,651 |
| A-20 | 5,770 | 32.8 | 86 | 2,821 |
| A-21 | 69,300 | 38.2 | 46 | 1,757 |
| PEC | | | | |
| Group B | 28,300 | 37.2 | 159 | 5,915 |
| B-1 | 860 | 36.1 | −121 | 4,368 |
| B-2 | 27,450 | 37.3 | 168 | 6,266 |
| B-3 | 140 | 28.6 | −420 | 12,012 |
| B-4 | 400 | 22.5 | 273 | 6,143 |
| B-5 | 450 | 28.9 | 24 | 694 |
| B-6 | 5,430 | 44.9 | 109 | 4,894 |
| PEC | | | | |
| Group C | 16,890 | 33.9 | 52 | 1,763 |
| C-1 | 1,800 | 32.8 | −54 | 1,771 |
| C-2 | 15,130 | 33.9 | 64 | 2,169 |
| C-3 | 470 | 23.4 | 43 | 1,006 |
| C-4 | 4,530 | 38.2 | 62 | 2,368 |
| PEC | | | | |
| Group D | 89,400 | 39.6 | 50 | 1,980 |
| D-1 | 15,440 | 43.4 | 72 | 3,125 |
| D-2 | 84,740 | 40.2 | 50 | 2,010 |
| D-3 | 10,780 | 49.7 | 77 | 3,827 |
| Random | 47,660 | 29.4 | 19 | 559 |

1/ PEC group percentages are based on unduplicated applicant totals within, but not between, groups.

2/ The Composite EI Change Index is derived by multiplying the percentage of applicants making post-selection corrections to any field by the average effective EI change.

Conclusion #3: The variation in the percentages of applicants correcting post-selection is more evident when PEC subgroups are examined. Some PEC subgroups are extremely effective in terms of a high rate of applicants correcting, while others are less effective than random selection. The following subgroups have the highest rates of applicants correcting:

TABLE 3.5: PEC WITH HIGHEST CORRECTION RATE

| PEC Subgroup | % of Applicants Correcting | PEC Subgroups | % of Applicants Correcting |
|---|---|---|---|
| A-13 | 85.7% | A-11 | 43.3% |
| D-3 | 49.7% | A-14 | 41.4% |
| A-15 | 46.0% | D-2 | 40.2% |
| B-6 | 44.9% | A-10 | 40.1% |
| D-1 | 43.7% | | |

*Percent of random group correcting: 29.4

and the lowest rates of applicants correcting:

TABLE 3.6: PEC WITH LOWEST CORRECTION RATE

| PEC Subgroup | % of Applicants Correcting | PEC Subgroup | % of Applicants Correcting |
|---|---|---|---|
| B-4 | 22.5% | A-1 | 27.9% |
| A-12 | 22.9% | A-9 | 28.2% |
| C-3 | 23.4% | A-19 | 28.2% |
| A-16 | 25.0% | B-3 | 28.6% |
| A-18 | 27.4% | B-5 | 28.6% |

*All subgroups listed directly above have a lower percentage of applicants correcting than the random group

Conclusion #4: A large number of the new criteria introduced in 1979-80 are exceptionally effective in identifying students likely to correct post-selection. In fact, ten of the twelve subgroups with the highest ratio of applicants correcting are new PEC subgroups. At the same time quite a few of the new subgroups are ineffective. Six of them have corrections rates less than the randomly selected group.

Conclusion #5: Comparison of this year's data with similar data from last year shows that some PEC subgroups are particularly ineffective, year after year, in identifying students who make post-selection corrections. For the past two years A-1 (household size or marital status blank) and A-9 (applicant resources) have had very few applicants correcting.

b) Average Effective SEI Changes

Conclusion #6: There is considerble difference in the magnitude of SEI changes resulting from post-selection corrections when the changes are compared across the PEC subgroups. The PEC subgroups with the highest magnitude of SEI change are:

TABLE 3.7: PEC WITH LARGEST SEI CHANGE

| PEC Subgroup | Magnitude of SEI Change |
|---|---|
| B-3 | -420 |
| B-4 | 273 |
| A-17 | 224 |
| A-6 | 196 |
| A-5 | 173 |
| B-2 | 168 |

* Random group change 19.0

The subgroups with the smallest magnitude of change are:

TABLE 3.8: PEC WITH LOWEST SEI CHANGE

| PEC Subgroup | Magnitude of SEI Change |
|---|---|
| A-13 | 8 |
| A-18 | 12 |
| A-4 | 15 |
| A-1 | 19 |
| B-5 | 24 |

Conclusion #7: Only a few of the new criteria have very high SEI changes. In most cases, however, the new criteria are more effective than the old criteria in terms of the magnitude of this EI change. Only a few new criteria (A-14, A-15, A-16, A-17, and B-4,-criteria related primarily to VA and SSA benefits) result in SEI changes substantially above that of the total PEC subgroup average.

C) Composite Change

The total effectiveness of the various PEC subgroups in identifying likely misreporters can best be measured by a composite index which takes into account both the rate of applicants correcting and the magnitude of the subsequent SEI changes.

Conclusion #8: Using composite change as an indicator, the following subgroups can be said to be overall most effective in identifying potential misreporters.

TABLE 3.9: MOST EFFECTIVE PEC AS DETERMINED BY COMPOSITE INDEX

| PEC Subgroup | % of Applicants Correcting Post-Selection | Average SEI Change | Composite Index |
|---|---|---|---|
| B-3 | 29.6 | -420 | -12,012 |
| A-17 | 33.8 | 224 | 7,571 |
| A-6 | 34.9 | 196 | 6,840 |
| A-15 | 46.0 | 142 | 6,532 |
| B-2 | 37.3 | 168 | 6,266 |
| B-4 | 22.5 | 273 | 6,143 |

Conclusion #9: Comparison of this data with similar data from last year show that there are similarities in the PEC subgroups which are most effective. For example, several of the PEC groups found effective last year have been combined into new subgroups (B-3) and (A-17) and the resulting subgroups have worked even better than the old. In addition, A-6, taxes and income inconsistencies, continues to work exceptionally well. A-15 relating to veteran's benefits is also an especially good predictor of potential applicant change.



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Conclusion #10: The criteria that are least effective in terms of the rate of applicants correcting and the magnitude of EI change are as follows:

TABLE 3.10: LEAST EFFECTIVE PEC AS DETERMINED BY COMPOSITE INDEX

| PEC Subgroup | % of Applicants Correcting | Average SEI Change | Composite Index |
|---|---|---|---|
| A-18 | 27.4 | 12 | 329 |
| A-1 | 27.9 | 19 | 530 |
| B-5 | 28.9 | 24 | 694 |

Conclusion #11: Comparison of this data with data from last year shows somewhat similar trends in the subgroups with the lowest rate of corrections and magnitude of change. Criterion A-1 continues to be very ineffective, thus indicating that applicants with missing household size or marital status information are not as a group particularly likely to misreport.

Conclusion #12: Several other criteria that are ineffective because they have a high percentage of applicants correcting but very low resulting SEI change, are as follows:

TABLE 3.11: INEFFECTIVE PEC BECAUSE OF SMALL SEI CHANGE

| PEC Subgroup | % of Applicants Correcting | Average SEI Change | Composite Index |
|---|---|---|---|
| A-4 | 36.3 | 8 | 545 |
| A-13 | 36.3 | 15 | 545 |

## 3.7: Relationship of Corrections Behavior of PEC Subgroups to "Suspect" Fields

Certain critical field are considered "suspect" for each PEC group. The following table (Table 3.12) shows the percentage of applicants correcting each field and the relationship of the corrections made by each PEC subgroup to the field considered suspect for that group. Suspect fields are denoted by shading.

Conclusion #13: Table 3.12 indicates that there is a strong correlation between corrections made to suspect fields for certain PEC subgroups and a very weak correlation for other subgroups. The PEC groups with the highest rate of corrections to suspect fields, hence the strongest correlation, are A-5, A-7, A-10, A-11, A-13, A-14, A-15, D-1 and D-3. The fields with the fewest corrections, hence the weakest correlation, include A-6 and A-9. PEC subgroup A-9 (applicant resources) is particularly interesting since most data, including data from last year, suggest that few applicants meeting the A-9 PEC correct the applicant resource field.

Conclusion #14: More important than above, Table 3.12 indicates that AGI and NTI are the fields corrected most often regardless of the PEC criteria met. Portions earned and taxes paid are also corrected at a much higher rate than other fields, but at a rate slightly lower than AGI and NTI.

## 3.8: Comparison of Corrections Behavior by Validation and Nonvalidation Applicants

The following sections (1) provides a general overview of applicants pre and post selection/eligibility corrections behavior when applicants are compared by validation and nonvaliation groups, and (2) begin to look at the impact of being selected for validation. The first part dovetails with Chapter 2, the edits chapter, while the second part attempts to ferret out those PEC groups where the possibility of validation may be causing applicant change.

TABLE 3.12: PERCENTAGES OF VALIDATED APPLICANTS WITH POST-SELECTION CORRECTIONS TO SUSPECT FIELDS BY PEC GROUP[1/]

| PEC SUB-GROUPS | % OF APPLICANTS CORRECTING FIELD — CRITICAL FIELDS | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | ADJUSTED GROSS INCOME | NONTAXABLE INCOME [2/] | TAXES PAID | MODEL | HOUSEHOLD SIZE | POST HIGH EDUCATION | NET ASSETS | MARITAL STATUS | VETERAN'S BENEFITS | UNREIMBURSED TUITION | APPLICANT RESOURCES | UNUSUAL EXPENSES | TAX FILING STATUS | PORTION EARNED |
| A-1 | 11 | 8 | 7 | 1 | 5 | 2 | 1 | 0 | 0 | 1 | 0 | 2 | 2 | 2 |
| A-2 | 16 | 8 | 12 | 1 | 4 | 3 | 2 | 1 | 0 | 1 | 1 | 4 | 4 | 7 |
| A-3 | 16 | 7 | 11 | 1 | 4 | 3 | 2 | 1 | 0 | 1 | 0 | 7 | 4 | 7 |
| A-4 | 7 | 14 | 3 | 2 | 4 | 2 | 2 | 2 | 1 | 1 | 0 | 2 | 2 | 4 |
| A-5 | 17 | 9 | 11 | 1 | 5 | 4 | 3 | 1 | 0 | 6 | 1 | 7 | 3 | 7 |
| A-6 | 18 | 7 | 19 | 0 | 5 | 4 | 2 | 1 | 0 | 1 | 0 | 3 | 5 | 7 |
| A-7 | 12 | 10 | 10 | 0 | 4 | 4 | 4 | 0 | 1 | 0 | 1 | 4 | 4 | 5 |
| A-8 | 11 | 14 | 11 | 0 | 4 | 4 | 2 | 1 | 1 | 0 | 1 | 2 | 4 | 6 |
| A-9 | 13 | 7 | 14 | 1 | 5 | 3 | 2 | 1 | 1 | 1 | 3 | 3 | 3 | 6 |
| A-10 | 13 | 10 | 11 | 1 | 5 | 2 | 2 | 1 | 2 | 0 | 0 | 2 | 3 | 6 |
| A-11 | 14 | 11 | 12 | 1 | 5 | 2 | 3 | 1 | 2 | 0 | 1 | 3 | 3 | 6 |
| A-12 | 6 | 10 | 3 | 2 | 4 | 0 | 3 | 3 | 8 | 0 | 0 | 1 | 3 | 1 |
| A-13 | 14 | 14 | 29 | 0 | 0 | 0 | 14 | 0 | 43 | 0 | 0 | 0 | 14 | 0 |
| A-14 | 11 | 37 | 11 | 1 | 4 | 3 | 2 | 1 | 11 | 1 | 1 | 3 | 3 | 5 |
| A-15 | 15 | 37 | 15 | 2 | 4 | 3 | 4 | 3 | 13 | 1 | 3 | 6 | 4 | 4 |
| A-16 | 12 | 10 | 10 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 2 | 0 | 4 | 8 |
| A-17 | 11 | 13 | 9 | 0 | 4 | 3 | 3 | 1 | 1 | 0 | 0 | 2 | 3 | 5 |
| A-18 | 11 | 13 | 13 | 0 | 2 | 0 | 4 | 0 | 0 | 0 | 2 | 2 | 0 | 7 |
| A-19 | 11 | 11 | 7 | 1 | 4 | 3 | 2 | 0 | 1 | 0 | 1 | 1 | 1 | 5 |
| A-20 | 14 | 10 | 13 | 0 | 6 | 11 | 2 | 0 | 0 | 1 | 0 | 6 | 4 | 7 |
| A-21 | 18 | 9 | 15 | 1 | 5 | 3 | 3 | 1 | 1 | 1 | 0 | 5 | 7 | 7 |
| B-1 | 21 | 8 | 19 | 0 | 0 | 5 | 0 | 0 | 0 | 0 | 1 | 2 | 7 | 6 |
| B-2 | 11 | 13 | 8 | 1 | 4 | 3 | 4 | 2 | 1 | 0 | 0 | 3 | 2 | 5 |
| B-3 | 21 | 7 | 21 | 1 | 7 | 7 | 14 | 0 | 0 | 0 | 0 | 7 | 0 | 7 |
| B-4 | 8 | 8 | 3 | 0 | 5 | 5 | 3 | 0 | 0 | 0 | 0 | 3 | 3 | 5 |
| B-5 | 16 | 4 | 13 | 0 | 2 | 7 | 7 | 0 | 0 | 0 | 0 | 7 | 2 | 4 |
| B-6 | 20 | 12 | 18 | 1 | 3 | 4 | 4 | 1 | 1 | 1 | 0 | 6 | 7 | 7 |
| C-1 | 16 | 8 | 16 | 1 | 4 | 2 | 3 | 1 | 0 | 0 | 1 | 4 | 4 | 6 |
| C-2 | 10 | 10 | 7 | 1 | 4 | 3 | 3 | 1 | 1 | 1 | 1 | 2 | 2 | 6 |
| C-3 | 9 | 4 | 9 | 0 | 5 | 9 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 |
| C-4 | 20 | 4 | 15 | 1 | 6 | 2 | 3 | 2 | 0 | 1 | 1 | 4 | 6 | 9 |
| D-1 | 30 | 6 | 26 | 0 | 8 | 13 | 3 | 1 | 0 | 1 | 1 | 11 | 10 | 10 |
| D-2 | 21 | 9 | 18 | 1 | 5 | 5 | 3 | 1 | 1 | 1 | 1 | 6 | 8 | 8 |
| D-3 | 38 | 4 | 34 | 0 | 9 | 15 | 4 | 1 | 0 | 2 | 1 | 14 | 14 | 11 |

[1/] Shaded areas denote critical fields considered "suspect" for each PEC group.

[2/] Social security benefits are included as part of Nontaxable Income.

The tables on this and the following few pages compare the pre-post selection behavior of validated applicants with the pre-and post eligibility behavior of nonvalidation applicants.

TABLE 3:13 PERCENTAGE OF APPLICANTS CORRECTING KEY FIELDS PRE-SELECTION AND PRE-ELIGIBILITY, AND DIRECTION OF CHANGE

| Validation Cases | A | B | C | D | Random | Total |
|---|---|---|---|---|---|---|
| Most-Often Corrected Pre-Validation: | AGI[1]/ 52* | AGI[2]/ 44** | AGI 45** | AGI 57** | AGI 12* | AGI 40* |
| | TP 33* | NTI 40** | NTI 30** | TP 40* | TP 10* | TP* 26* |
| | NTI 23* | NA 31** | TP 30* | PE 36** | NTI 8* | NTI 21** |
| | PE 28* | TP 30** | PE 21** | US 10* | | PE 21* |
| | UE* 9* | PE 21** | NA 20** | | | NA 0** |
| | NA 8** | HS 17** | HS 20** | | | |
| | | UE 12** | PHE 16** | | | |
| | | MS 11** | | | | |

| Nonvalidation Cases | A | Random | Total |
|---|---|---|---|
| Most-Often Corrected | AGI 40* | NA 3* | AGI 9* |
| | TP 33* | AGI 2** | TP 7* |
| | NTI 24* | TP 2** | NTI 5* |

1/ *Refers to corrections causing potential award decrease.

2/ **Refers to corrections causing potential award increase.

TABLE 3.14: PERCENTAGES OF APPLICANTS CORRECTING KEY FIELDS POST-SELECTION AND POST ELIGIBILITY, AND DIRECTION OF CHANGE

| Validation Cases | A | B | C | D | Random | Total |
|---|---|---|---|---|---|---|
| Most-Often Corrected Post-Validation | AGI1/ 14* | TP 19* | AGI 11* | AGI 20* | AGI 11* | AGI 14* |
| | NTI 13* | NTI 13* | NTI 10* | TP 17* | NTI 9* | NTI 12* |
| | TP 11* | AGI 11* | TP 8* | NTI 9* | TP 9* | TP* 12* |
| | PE 6* | PE 5* | PE 6* | PE 8* | PE 5* | PE 6* |

| Nonvalidation Cases | A | Random | Total |
|---|---|---|---|
| Most-Often Corrected Post-Eligibility | AGI 2* | AGI 2* | AGI 2* |
| | NTI 2* | NTI 1* | NTI 1* |
| | TP 2* | TP 1* | TP 1* |
| | | HS 1* | HS 1* |
| | | NA 1* | NA 1* |
| | | PE 1* | UE 1* |
| | | | PE 1* |

1/ *Refers to corrections causing potential award decreases.

Conclusion #15: As can be seen in the table, validation applicants who met the A and D criteria tended to submit corrections that reduced award amount before selection for validation. Nonvalidation applicants meeting A criteria behaved in much the same way. More than half of the A criteria validation applicants increased AGI before selection. Over 40 percent of the nonvalidation A criteria applicants had similar corrections behavior before establishing elligibility. These trends are consistent with the data from last year and suggest that the edits proceding validation for many of the A criteria are working.

Conclusion #16: Validation applicants who met the B criteria tended to submit corrections that increased award amount before selection for validation. Again, comparison of these data with that from last year show that the trends in the fields with the highest percentages of change and the direction of change are similar.

Conclusion #17: The validation C criteria applicants behave similarly to the validation B criteria applicants in terms of the direction of the corrections submitted pre-selection.

Conclusion #18: Relatively few of the randomly selected group (both validation and nonvalidation) as compared to the applicants meeting the criteria, submitted corrections, before selection and before establishing eligibility. Most of those corrections resulted in a potential award decrease.

Conclusion #19: In contrast to last year, relatively more validation applicants in PEC groups A, B and D corrected AGI and TP post selection than did randomly selected validated applicants. PEC group C and the random group had very similar corrections history. This PEC group has a smaller proportion of applicants changing taxes paid and portions earned than the random group.

3.9: Impact of Selection For Validation

Although payment data is not available for validation applicants, some information on how applicants are likely to react (in terms of corrections behavior), can be gleaned from analysis of their corrections behavior once they are told they will be validated. The following table (Table 3.15) summarizes this corrections history. Pre-selection/ eligibility information is provided to help put the post-selection/ eligibility corrections behavior into perspective. Note: Information on this table is similar to that found in Table 3.4 in the preceding section. There are differences in the way the data were programmed, however, which mean that the tables are not exactly comparable, particularly the SEI changes. For example, Table 3.4 is based on corrections to any field, whereas Table 3.15 reflects only corrections to critical fields. In addition, the subgroup SEI change for Table 3.4 was calculated to include applicants who changed a field, but whose correction resulted in no SEI change. In contrast, the subgroup SEI change in Table 3.15 was computed to include only those individuals whose corrections resulted in an SEI change. Thus, the SEI changes in Table 3.4 are lower than those in Table 3.15

Conclusion #20: Previous chapters of this report have indicated that the edit system is, in most cases, working very well, and that it often has a substantial impact on an applicant's SEI. This table indicates that the prospect of validation also has an impact on an individual's SEI. The table shows that the average post-selection SEI change for validation aplicants is about two and one-half times greater than that for nonvalidated applicants (138 to 58, respectively), and that the rate of validation applicants correcting is about twice as high as that of nonvalidation applicants.

Conclusion #21: Table 3.15 indicates that the impact of potential validation varies according to PEC subgroups. The PEC subgroups most affected by validation selection, when compared with nonvalidation subgroups are A-1, A-5, A-6, A-8 and A-11. (Criteria A-1 is particularly interesting because the corrections benavior of the A-1 validation

SEI

VALIDATION

SEE: F PR D PO LECT HEKS
BEHAVIOR OF VALIDATION APPLICANTS AND PRE AND POST ELIGIBILITY CORRECTIONS BEHAVIOR OF NONVALIDATION APPLICANTS

NONVALIDATION

| Applicant Subgroups | Number of Applicants Selected | % of Val. Population | Percentage of Subgroup Applicants With Pre-Selection Field Changes | Average SEI Change | Percentage of Subgroup Applicants With Post-Selection Field Changes | Average SEI Change | Number of Applicants Selected | % of Val. Population | Percentage of Subgroup Applicants With Pre-Eligibility Field Changes | Average SEI Change | Percentage of Subgroup Applicants With Post-Eligibility Field Changes | Average SEI Change |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| PEC Applicants | 184,670 | 79.5 | 72 | -118 | 26 | 153 | 471,710 | 18.7 | 71 | 109 | 5 | 68 |
| PEC Group A | 148,930 | 64.1 | 73 | 88 | 25 | 157 | 471,710 | 18.7 | 71 | 109 | 5 | 68 |
| A-1 | 2,830 | 1.2 | 87 | -203 | 21 | 53 | 9,320 | .4 | 83 | -269 | 4 | -16 |
| A-2 | 75,420 | 32.5 | 84 | 213 | 26 | 159 | 111,020 | 4.4 | 77 | 163 | 5 | 74 |
| A-3 | 40,360 | 17.4 | 78 | 272 | 27 | 184 | 37,320 | 1.5 | 66 | 189 | 6 | 131 |
| A-4 | 20,930 | 9.0 | 55 | -36 | 17 | 79 | 100,800 | 4.0 | 47 | 37 | 5 | 34 |
| A-5 | 10,490 | 4.5 | 83 | 284 | 30 | 199 | 8,290 | .3 | 83 | 177 | 5 | 89 |
| A-6 | 47,420 | 20.4 | 78 | 269 | 30 | 241 | 117,070 | 4.6 | 85 | 208 | 6 | 79 |
| A-7 | 8,110 | 3.5 | 95 | 109 | 24 | 63 | 23,630 | .9 | 90 | 100 | 7 | 198 |
| A-8 | 9,160 | 3.9 | 93 | -59 | 25 | 143 | 76,230 | 3.0 | 87 | 47 | 5 | 38 |
| A-9 | 3,440 | 1.5 | 97 | -736 | 25 | 114 | 640 | .01 | 59 | 119 | 38 | -111 |
| A-10 | 23,120 | 9.9 | 60 | 69 | 24 | 136 | 49,430 | 1.9 | 69 | 225 | 4 | 77 |
| A-11 | 12,450 | 5.4 | 73 | 101 | 27 | 134 | 1,880 | .1 | 76 | 130 | 4 | -15 |
| A-12 | 2,790 | 1.2 | 40 | 37 | 13 | 137 | 4,490 | .2 | 90 | 144 | 7 | 147 |
| A-13 | 70 | .03 | 100 | 340 | 57 | 12 | | | | | | |
| A-14 | 7,580 | 9.3 | 64 | 55 | 31 | 150 | 20,700 | .8 | 59 | 68 | 6 | 100 |
| A-15 | 1,390 | .6 | 86 | 66 | 41 | 184 | | | | | | |
| A-16 | 520 | .2 | 92 | 43 | 23 | 158 | | | | | | |
| A-17 | 8,700 | 3.8 | 92 | -557 | 24 | 322 | | | | | | |
| A-18 | 840 | .4 | 93 | -126 | 24 | 13 | | | | | | |
| A-19 | 4,260 | 1.8 | 88 | -274 | 20 | 147 | | | | | | |
| A-20 | 5,770 | 2.5 | 75 | 100 | 28 | 113 | | | | | | |
| A-21 | 69,300 | 29.8 | 78 | 173 | 28 | 124 | | | | | | |
| PEC Group B | 28,300 | 12.2 | 88 | -983 | 24 | 257 | | | | | | |
| B-1 | 860 | .4 | 93 | -165 | 29 | -62 | | | | | | |
| B-2 | 27,450 | 11.8 | 88 | -1010 | 24 | 270 | | | | | | |
| B-3 | 140 | .06 | 100 | -695 | 29 | -420 | | | | | | |
| B-4 | 400 | .2 | 85 | -1215 | 15 | 199 | | | | | | |
| B-5 | 450 | .2 | 98 | -964 | 29 | 24 | | | | | | |
| B-6 | 5,430 | 2.3 | 92 | -775 | 33 | 420 | | | | | | |
| PEC Group C | 16,890 | 7.3 | 86 | -587 | 21 | 103 | | | | | | |
| C-1 | 1,800 | .8 | 93 | -262 | 26 | -30 | | | | | | |
| C-2 | 15,130 | 6.5 | 85 | -628 | 21 | 123 | | | | | | |
| C-3 | 470 | .02 | 91 | -547 | 19 | 105 | | | | | | |
| C-4 | 4,530 | 1.9 | 90 | -500 | 28 | 115 | | | | | | |
| PEC Group D | 89,400 | 38.5 | 73 | 68 | 30 | 112 | | | | | | |
| D-1 | 15,440 | 6.6 | 41 | -8 | 40 | 82 | | | | | | |
| D-2 | 84,740 | 36.5 | 72 | 76 | 31 | 114 | | | | | | |
| D-3 | 10,780 | 4.6 | 26 | 59 | 47 | 84 | | | | | | |
| Random | 47,660 | 20.5 | 24 | 28 | 19 | 60 | 2,051,270 | 81.3 | 6 | -28 | 3 | 54 |
| Total | 232,330 | 100.0 | 62 | -106 | 25 | 138 | 2,522,980 | 100.0 | 18 | 72 | 4 | 58 |

3.17



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subgroup supports an hypothesis posited in Chapter 2 of this report: that is, the household size and marital status edits may be less effective than desired. Although the pre-selection/eligibility corrections behavior of the A-1 validation and nonvalidation applicants is similar, the post-selection/eligibility behavior is quite different. Validation applicants are correcting to their disadvantage, while nonvalidation applicants are correcting to their advantage.)

Conclusion #22: The PEC subgroup that initially seem to be least affected by validation are: A-3, A-7, A-10, A-12 and A-14.

# 4

## APPLICATION SOURCE

This chapter examines whether there were differences in applicant corrections behavior between the following sources of application: the Basic Education Opportunity Grant (BEOG), the American College Testing Program (ACT), the College Scholarship Service (CSS) and the Pennsylvania Higher Education Assistance Agency (PHEAA).

Table 4.1 shows the distribution of all applicants, validated applicants, and applicants who have ever been rejected by application source.

TABLE 4.1: PROFILE OF APPLICANTS BY APPLICATION SOURCE

| | BEOG | ACT | CSS | PHEAA |
|---|---|---|---|---|
| % in Population | 28.8 | 16.7 | 51.2 | 3.3 |
| % in Validation Group | 23.3 | 16.3 | 57.8 | 2.6 |
| % in Ever Rejected Group | 29.6 | 15.5 | 52.3 | 2.6 |

Conclusion #1: Applicants who apply with the CSS form are overrepresented in both the validation and ever rejected groups. This suggests that some feature of the CSS application process or some common characteristics of the CSS applicants are correlated with the reject reasons and validation selection criteria. Chapter 2 stated that missing



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data to key application fields was the major cause of rejection. The following table shows the percentage who left key fields blank by application source.

TABLE 4.2: PERCENTAGE WHO LEFT KEY FIELDS BLANK BY APPLICATION SOURCE

| Field | BEOG | ACT | CSS | PHEAA |
|---|---|---|---|---|
| AGI | 2.7% | .8% | 2.2% | 1.5% |
| TP | 5.3 | 1.3 | 3.5 | 2.6 |
| HS | 1.5 | .4 | .7 | .6 |
| MS | 1.4 | 18.5 | 14.5 | .7 |
| PHE | 1.5 | .4 | .6 | .5 |

CSS filers, as well as BEOG applicants who were also overrepresented in the ever rejected group, left key application fields blank most often; ACT and PHEAA applicants, who were underrepresented in both the ever rejected and validation groups, had the lowest incidence of missing data. In addition, Chapter 2 showed that applicants with zero or negative income were rejected at a much higher rate than other applicants. The following table shows that a comparatively high percentage of BEOG applicants reported zero income, while relatively few had an income greater than $10,000. (For a detailed profile of applicant income and household characteristics by application source, see Appendix E.)

TABLE 4.3: AGI BY APPLICATION SOURCE

| | BEOG | ACT | CSS | PHEAA |
|---|---|---|---|---|
| < 0 | .1% | .5 | .2 | .2 |
| 0 | 28.6 | 10.5 | 12.1 | 15.8 |
| 1-3,999 | 17.5 | 14.9 | 13.3 | 8.9 |
| 4,000-10,000 | 24.9 | 22.8 | 18.5 | 16.2 |
| 10,000+ | 26.2 | 50.4 | 53.6 | 57.3 |
| Unknown | 2.7 | .8 | 2.2 | 1.5 |

Table 4.4 presents applicants' current and previous eligibility status (eligible, ineligible or rejected) by application source.

TABLE 4.4: APPLICANTS' CURRENT AND PREVIOUS ELIGIBILITY STATUS BY APPLICATION SOURCE

| Source | # of Applicants | % of Total Population | % of Group Never Rejected | % of Group Ever Rejected | Current Eligibility Status of Ever Rejected Applicants | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | % Currently Eligible | % Currently Ineligible | % Currently Rejected Previously Elig/Ineligible | % Always Rejected 1 Transaction | Always Rejected 2 or More Transactions |
| BEOG | 1,125,130 | 28.8 | 63.7 | 36.0<br>100 | 63.9 | 8.0 | 1.4 | 10.8 | 15.9 |
| ACT | 653,000 | 16.1 | 66.7 | 33.3<br>100 | 64.5 | 13.3 | 1.1 | 10.9 | 10.2 |
| CSS | 1,997,360 | 51.2 | 63.3 | 36.7<br>100 | 62.9 | 14.3 | .9 | 9.1 | 12.8 |
| PHEAA | 127,950 | 3.3 | 72.1 | 27.9<br>100 | 61.6 | 16.1 | 1.0 | 5.1 | 16.2 |
| TOTAL | 3,903,520 | 100 | 64.1 | 35.9 | 63.4 | 12.3 | 1.1 | 9.8 | 13.4 |

Conclusion #2: While both BEOG and CSS had the highest proportion of applicants who had ever been rejected, BEOG filers remained rejected at a higher rate. About 72 percent of previously rejected BEOG applicants became eligible or ineligible, compared to 77 percent of CSS applicants. In addition, a relatively high percentage of BEOG applicants remained rejected two or more transactions. It would appear that, since BEOG applicants made comparatively few corrections in response to validation, their lack of success in re-entering the system may be more attributable to lack of understanding about the data requirements, rather than to intentional misreporting.

Conclusion #3: PHEAA applicants had the lowest rejection rate of the four sources. Plus, a relatively low percentage remained rejected; however, a high percentage of those who remained rejected stayed rejected for two or more transactions.

Chapter 3 was concerned with a comparison of the individual PEC. It pointed out the most successful criteria in terms of post-selection corrections and eligibility index changes. Table 4.5 summarizes the most successful criteria by application source.

TABLE 4.5: MOST SUCCESSFUL CRITERIA IN TERMS OF POST-SELECTION CORRECTIONS AND EI CHANGES BY APPLICATION SOURCE

| | BEOG | ACT | CSS | PHEAA |
|---|---|---|---|---|
| % of Validation Applicants Submitting Corrections | 28.0% | 40.3% | 37.4% | 38.7% |
| Average Effective EI Change | +110 | +69 | +55 | +80 |
| Most Successful PEC in Terms of % Correcting | A-13* (100) | D-3 (56.4) | A-13* (50) | A-16* (100) |
| | A-15* ( 50) | B-1 (53.3) | D-3 (49.1) | A-20* ( 80) |
| | D-3 (37.5) | A-15 ( 50) | B-6 (46.9) | A-15* ( 75) |
| | A-14 (36.9) | D-1 (48.1) | D-1 (44.2) | D-3 (67.7) |
| Most Successful PEC in Terms of Post-Selection EI Changes | A-16* (+1280) | A-20 (+234) | B-4 (+409) | A-8 (+527) |
| | B-1* (+1280) | A-6 (+194) | A-17 (+280) | A-14 (+364) |
| | B-3* (+897) | B-1 (+183) | A-13* (+213) | A-5 (+339) |
| | A-7 (+390) | A-7 (+172) | B-2 (+206) | A-16* (+308) |
| | A-8 (+325) | A-3 (+140) | A-6 (+199) | B-1* (+308) |

* Fewer than 100 applicants correcting in response to these criteria

Conclusion #4: A relatively small percentage of BEOG applicants submitted corrections, but the corrections that were made resulted in a large average eligibility index increase. There was not a substantial difference in the percent correcting and eligibility index changes for CSS, ACT and PHEAA applicants.

Conclusion #5: There was considerable variation in the most successful criteria by application source. A high percentage who met PEC D-3, regardless of application source, made corrections. PEC A-15 was successful in terms of percent correcting for BEOG, ACT and PHEAA applicants. Applicants using BEOG, ACT and PHEAA applications who met B-1 made corrections resulting in large eligibility index changes. In terms of eligibility index changes A-16 and A-8 were successful for BEOG and PHEAA applicants, A-7 for BEOG and ACT, and A-6 for ACT and CSS.

# APPENDIX A

## COMPUTER COMMENTS

APPENDIX A

CRITICAL FIELD COMMENTS FOR NONSUPPLEMENTAL APPLICANTS

| Rejection | | | Assumption | Other | |
|---|---|---|---|---|---|
| 10 | 181 | 300 | 4 | 9 | 246 |
| 12 | 182 | 301 | 5 | 29 | 253 |
| 13 | 202 | 302 | 6 | 50 | 254 |
| 18 | 212 | 303 | 7 | 51 | 255 |
| 23 | 234 | 306 | 11 | 52 | 257 |
| 24 | 236 | 307 | 14 | 66 | 258 |
| 27 | 238 | 308 | 15 | 68 | 260 |
| 28 | 247 | 309 | 17 | 69 | 295 |
| 30 | 251 | 310 | 19 | 71 | 296 |
| 33 | 256 | 311 | 20 | 72 | |
| 35 | 259 | 312 | 21 | 73 | |
| 41 | 268 | 313 | 22 | 75 | |
| 42 | 269 | 314 | 25 | 76 | |
| 43 | 270 | 315 | 26 | 77 | |
| 44 | 271 | 316 | 31 | 78 | |
| 47 | 273 | | 36 | 79 | |
| 48 | 275 | | 37 | 80 | |
| 58 | 277 | | 38 | 81 | |
| 70 | 279 | | 40 | 82 | |
| 98 | 280 | | 107 | 84 | |
| 99 | 281 | | 242 | 85 | |
| 106 | 282 | | | 97 | |
| 128 | 283 | | | 108 | |
| 130 | 284 | | | 109 | |
| 135 | 287 | | | 116 | |
| 138 | 288 | | | 117 | |
| 139 | 289 | | | 119 | |
| 140 | 290 | | | 120 | |
| 148 | 297 | | | 121 | |
| 179 | 298 | | | 122 | |
| 180 | 299 | | | 123 | |
| | | | | 124 | |
| | | | | 125 | |
| | | | | 132 | |
| | | | | 134 | |
| | | | | 200 | |
| | | | | 204 | |
| | | | | 218 | |
| | | | | 240 | |
| | | | | 244 | |

001
--WHAT IS THE APPLICANT'S SOCIAL SECURITY NUMBER? . . . . . ___-__-____.

002
--YOU DID NOT INDICATE YOUR CITIZENSHIP STATUS. IF YOU ARE A U.S. CITIZEN, A U.S. NATIONAL OR PERMANENT RESIDENT, A CITIZEN OF THE NORTHERN MARIANA ISLANDS, A PERMANENT RESIDENT OF THE TRUST TERRITORY OF THE PACIFIC ISLANDS, OR ARE IN THE U.S. FOR OTHER THAN A TEMPORARY PURPOSE AND INTEND TO BECOME A PERMANENT RESIDENT, CORRECT BOX 6 IN SECTION 1, OR ENTER IT CORRECTLY ON A NEW APPLICATION IF REQUESTED BELOW. IF YOU DO NOT MEET ONE OF THE ABOVE CITIZENSHIP CONDITIONS, YOU ARE NOT ELIGIBLE FOR A BASIC GRANT AND NO FURTHER ACTION IS NECESSARY ON YOUR PART.

003
--YOU INDICATED YOU ARE NOT A U.S. CITIZEN, A U.S. NATIONAL OR PERMANENT RESIDENT, A CITIZEN OF THE NORTHERN MARIANA ISLANDS, A PERMANENT RESIDENT OF THE TRUST TERRITORY OF THE PACIFIC ISLANDS, OR ARE IN THE U.S. FOR OTHER THAN A TEMPORARY PURPOSE AND INTEND TO BECOME A PERMANENT RESIDENT. THEREFORE, YOU ARE NOT ELIGIBLE FOR A BASIC GRANT AND NO FURTHER ACTION IS NECESSARY ON YOUR PART. IF YOU ARE A U.S. CITIZEN, U.S. NATIONAL OR PERMANENT RESIDENT, CITIZEN OF THE NORTHERN MARIANA ISLANDS, PERMANENT RESIDENT OF THE TRUST TERRITORY OF THE PACIFIC ISLANDS, OR ARE IN THE U.S. FOR OTHER THAN A TEMPORARY PURPOSE AND INTEND TO BECOME A PERMANENT RESIDENT, CORRECT BOX 6 IN SECTION 1, OR ENTER IT CORRECTLY ON A NEW APPLICATION IF REQUESTED BELOW.

004
ASSUMED APPLICANT IS UNMARRIED.

005
ASSUMED APPLICANT IS MARRIED.

006
ASSUMED APPLICANT'S [illegible] HAS BY [illegible].

007
ASSUMED 1978 ADJUSTED GROSS INCOME OF YOUR PARENT TO BE $ 0.

008
ASSUMED ESTIMATED 1979 ADJUSTED GROSS INCOME OF YOUR PARENT TO BE $ 0.

009
--REVIEW BOX 17 IN SECTION [illegible]. IF CORRECT, YOU DO NOT NEED TO TAKE [illegible] ACTION ON THIS ITEM. IF INCORRECT, MAKE THE CORRECTION ON THE LAST COPY OF THIS REPORT, SIGN AND RETURN IT.

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013
--REVIEW THE AMOUNTS IN BOXES 20, 23, 24, 25, AND 26 IN SECTION 1 ABOVE BECAUSE THEY APPEAR TO BE INCONSISTENT.
ARE THESE AMOUNTS CORRECT? CIRCLE ONE: YES NO

IF YOU CIRCLED YES, SIGN AND RETURN THE LAST COPY OF THIS REPORT.
IF YOU CIRCLED NO, PROVIDE THE FOLLOWING:
APPLICANT AND SPOUSE'S 1978 TOTAL NONTAXABLE INCOME. . . . . $_____
NUMBER OF EXEMPTIONS CLAIMED ON 1978 U.S. INCOME TAX RETURN(S). . . . . #___
APPLICANT AND SPOUSE'S 1978 ADJUSTED GROSS INCOME . . . . . $_____
INCOME EARNED BY APPLICANT. . . . $_____
INCOME EARNED BY SPOUSE . . . . . $_____
APPLICANT AND SPOUSE'S 1978 U.S. INCOME TAX PAID (LINE 47 OF IRS FORM 1040, OR LINE 13 OF 1040A). . $_____
APPLICANT AND SPOUSE'S 1978 U.S. ITEMIZED DEDUCTIONS. . . . . $_____(B)

014
PARENTS' MARITAL STATUS WAS NOT REPORTED. ASSUMED TWO PARENTS IN HOUSEHOLD.

015
PARENTS' MARITAL STATUS WAS NOT REPORTED. ASSUMED ONE PARENT IN HOUSEHOLD.

016
--YOU HAVE REPORTED ASSET(S) AND/OR DEBT(S) WHICH EXCEED SIX FIGURES. WE DO NOT HAVE ENOUGH ROOM TO PRINT THESE FIGURES ON THE STUDENT ELIGIBILITY REPORT (SER). THEREFORE, WE HAVE SUBTRACTED DEBT(S) FROM ASSET(S) TO SHOW THE NET FIGURE(S).

017
ASSUMED PARENTS' HOUSEHOLD HAS 99 MEMBERS.

018
--REVIEW BOX 17 IN SECTION 1 ABOVE BECAUSE THE NUMBER OF MEMBERS IN YOUR FAMILY'S HOUSEHOLD APPEARS TO BE INCORRECT.
IS THIS NUMBER CORRECT? CIRCLE ONE: YES NO

IF YOU CIRCLED YES, SIGN AND RETURN THE LAST COPY OF THIS REPORT.
IF YOU CIRCLED NO, PROVIDE THE FOLLOWING:
NUMBER OF MEMBERS IN HOUSEHOLD. . . #____ (C)

019
ASSUMED ONE PERSON IN PARENTS' HOUSEHOLD IN COLLEGE OR OTHER EDUCATION BEYOND HIGH SCHOOL IN 1979-80.

020
ASSUMED APPLICANT DID (OR WILL) LIVE WITH PARENT(S) FOR MORE THAN SIX WEEKS IN 1978, 1979, OR 1980.

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027
--REVIEW THE AMOUNTS IN BOXES 23, 24, AND 25 BECAUSE THE AMOUNT(S) REPORTED FOR INCOME EARNED BY FATHER AND/OR MOTHER IS LARGER THAN THE AMOUNT REPORTED FOR 1978 ADJUSTED GROSS INCOME.
ARE THESE AMOUNTS CORRECT? CIRCLE ONE: YES NO

IF YOU CIRCLED YES, SIGN AND RETURN THE LAST COPY OF THIS REPORT.
IF YOU CIRCLED NO, PROVIDE THE FOLLOWING:
PARENTS' 1978 ADJUSTED GROSS INCOME $_____
INCOME EARNED BY FATHER. . . . . $_____
INCOME EARNED BY MOTHER. . . . . $_____
PARENTS' 1978 U.S. INCOME TAX PAID (LINE 47 OF IRS FORM 1040, OR LINE 13 OF 1040A) . . . . . $_____
PARENTS' 1978 U.S. ITEMIZED DEDUCTIONS . . . . . $_____(D)

028
--GIVE THE FOLLOWING INFORMATION ABOUT 1978 INCOME:
PARENTS' 1978 TOTAL NONTAXABLE INCOME . . . . . $_____
NUMBER OF EXEMPTIONS CLAIMED ON 1978 U.S. INCOME TAX RETURN(S). . . . . #____
PARENTS' 1978 ADJUSTED GROSS INCOME $_____
INCOME EARNED BY FATHER. . . . . $_____
INCOME EARNED BY MOTHER. . . . . $_____
PARENTS' 1978 U.S. INCOME TAX PAID (LINE 47 OF IRS FORM 1040, OR LINE 13 OF 1040A) . . . . . $_____
PARENTS' 1978 U.S. ITEMIZED DEDUCTIONS . . . . . $_____

029
--REVIEW THE AMOUNTS IN BOXES 28 AND 29 IN SECTION 1 ABOVE.
IF THESE AMOUNTS ARE CORRECT, YOU DO NOT NEED TO TAKE ANY FURTHER ACTION ON THIS ITEM.
IF THESE AMOUNTS ARE INCORRECT, MAKE THE APPROPRIATE CHANGES ON THE LAST COPY OF THIS REPORT, SIGN AND RETURN IT.

030
--REVIEW THE AMOUNTS IN BOXES 28 AND 29 IN SECTION 1 ABOVE BECAUSE THEY APPEAR TO BE UNUSUALLY HIGH.
ARE THESE AMOUNTS CORRECT? CIRCLE ONE: YES NO

IF YOU CIRCLED YES, SIGN AND RETURN THE LAST COPY OF THIS REPORT.
IF YOU CIRCLED NO, PROVIDE THE FOLLOWING:
1978 MEDICAL AND DENTAL EXPENSES. . $_____
1978 CASUALTY AND THEFT LOSSES. . . $_____(E)

035
--YOU HAVE REPORTED AN INCOME FOR SPOUSE. HOWEVER, APPLICANT'S MARITAL STATUS IS INDICATED AS OR ASSUMED TO BE XXXXXXXXX. AN INCOME FOR SPOUSE SHOULD BE REPORTED ONLY IF YOU ARE MARRIED.
IF YOU ARE MARRIED, WRITE MARRIED IN BOX 16 OF SECTION 1, SIGN AND RETURN THE LAST COPY OF THIS REPORT.
IF YOU ARE NOT MARRIED, PROVIDE YOUR INFORMATION REQUESTED BELOW.
APPLICANT'S 1978 TOTAL NONTAXABLE INCOME . . . . . $_____
NUMBER OF EXEMPTIONS CLAIMED ON 1978 U.S. INCOME TAX RETURN . . . . . #___
APPLICANT'S 1978 ADJUSTED GROSS INCOME . . . . . $_____
INCOME EARNED BY APPLICANT. . . . $_____
APPLICANT'S 1978 U.S. INCOME TAX PAID (LINE 47 OF IRS FORM 1040, OR LINE 13 OF 1040A). . . . . $_____
APPLICANT'S 1978 U.S. ITEMIZED DEDUCTIONS . . . . . $_____
APPLICANT'S 1978 MEDICAL AND DENTAL EXPENSES . . . . . $_____
APPLICANT'S 1978 CASUALTY AND THEFT LOSSES . . . . . $_____
APPLICANT'S 1978 UNREIMBURSED ELEMENTARY AND HIGH SCHOOL TUITION $_____
036
ASSUMED YOU WILL RECEIVE VETERAN'S BENEFITS FOR 12 MONTHS BETWEEN JULY 1, 1979 AND JUNE 30, 1980.
037
YOUR VETERAN'S EDUCATIONAL BENEFITS ARE ASSUMED TO BE $999/MONTH. IF YOU WILL RECEIVE A DIFFERENT AMOUNT, PROVIDE THE MONTHLY AMOUNT BELOW AND RETURN THE LAST COPY OF THIS REPORT IMMEDIATELY TO: [illegible], P.O. BOX [illegible], IOWA CITY, IOWA 52240
VETERAN'S BENEFITS PER MONTH. . .
038
ASSUMED YOU WILL RECEIVE VETERAN'S MONTHS BETWEEN JULY 1, 1979 AND
039
--YOUR APPLICATION WAS NOT SIGNED PARENT. BOTH YOU AND YOUR P[illegible] CERTIFICATION STATEMENT [illegible] COPY OF THIS REPORT AND [illegible]
IF YOUR PARENT(S) IS NOT A [illegible] A FINANCIAL AID OFFICER MAY SIGN IN PLACE OF [illegible] ONE OF THE FOLLOWING . YOUR PARENT(S) IS NOT [illegible] THE CURRENT ADDRESS [illegible] KNOWN.
YOUR PARENT(S) WAS [illegible] DETERMINED MENTALLY UNABLE TO [illegible] A SIGNATURE



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044
--GIVE THE FOLLOWING INFORMATION ABOUT 1978 INCOME:
APPLICANT AND SPOUSE'S 1978 TOTAL NONTAXABLE INCOME. . . . . $_____
NUMBER OF EXEMPTIONS CLAIMED ON 1978 U.S. INCOME TAX RETURN(S). . . . . #___
APPLICANT AND SPOUSE'S 1978 ADJUSTED GROSS INCOME . . . . . $_____
INCOME EARNED BY APPLICANT. . . . $_____
INCOME EARNED BY SPOUSE . . . . . $_____
APPLICANT AND SPOUSE'S 1978 U.S. INCOME TAX PAID (LINE 47 OF IRS FORM 1040, OR LINE 13 OF 1040A). . $_____
APPLICANT AND SPOUSE'S 1978 U.S. ITEMIZED DEDUCTIONS. . . . . $_____

045
--IF YOU HAVE MADE ANY CORRECTIONS, SIGN THE CERTIFICATION STATEMENT ON THE BACK OF THIS REPORT AND MAIL THE SIGNED, CORRECTED COPY TO:

BASIC GRANTS
P.O. BOX H
IOWA CITY, IOWA 52240

046
--THE CORRECTIONS YOU REQUESTED HAVE BEEN MADE.

047
--REVIEW THE AMOUNTS IN BOXES 23, 26, AND 27 BECAUSE THEY APPEAR TO BE INCONSISTENT. PLEASE CHECK YOUR 1978 INCOME TAX RECORDS AGAIN TO MAKE SURE THAT THESE AMOUNTS ARE CORRECT.

ARE THESE AMOUNTS CORRECT? CIRCLE ONE: YES NO

IF YOU CIRCLED YES, SIGN AND RETURN THE LAST COPY OF THIS REPORT.

IF YOU CIRCLED NO, PROVIDE THE FOLLOWING:
NUMBER OF EXEMPTIONS CLAIMED ON 1978 U.S. INCOME TAX RETURN(S) . . . . #___
1978 ADJUSTED GROSS INCOME . . . . $_____
1978 U.S. INCOME TAX PAID (LINE 47 OF IRS FORM 1040, OR LINE 13 OF 1040A). . . . . $_____
1978 U.S. ITEMIZED DEDUCTIONS. . . $_____(A,G)

048
--AN APPLICATION FOR DETERMINATION OF STUDENT ELIGIBILITY FOR THE BASIC EDUCATIONAL OPPORTUNITY GRANT (BEOG) PROGRAM WAS RECENTLY SUBMITTED TO US BY SOMEONE FROM THIS ADDRESS. NO NAME WAS GIVEN ON THE APPLICATION OR THE ENVELOPE. THE APPLICATION CANNOT BE PROCESSED UNTIL A NAME IS GIVEN. PRINT THE LAST NAME OF BASIC GRANT APPLICANT IN BOX 1 ABOVE, THE FIRST NAME IN BOX 2 AND THE MIDDLE INITIAL IN BOX 3, THEN SIGN THE CERTIFICATION STATEMENT ON THE BACK OF THE LAST COPY OF THIS REPORT AND RETURN THAT COPY.



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054
SINCE THIS IS YOUR FIRST BASIC GRANT (BEOG) APPLICATION FOR 1979-80, YOU ARE NOT ELIGIBLE TO FILE A SUPPLEMENTAL FORM BASED ON THE DEATH OF ONE OF YOUR PARENTS. THE CONDITION REQUIRES THAT THE DEATH OCCUR AFTER THE FILING OF THE ORIGINAL APPLICATION.

055
SINCE THIS IS YOUR FIRST BASIC GRANT (BEOG) APPLICATION FOR 1979-80, YOU ARE NOT ELIGIBLE TO FILE A SUPPLEMENTAL FORM BASED ON THE DEATH OF YOUR PARENT(S) OR ON THE DEATH OF YOUR SPOUSE. THE CONDITION REQUIRES THAT THE DEATH OCCUR AFTER THE FILING OF THE ORIGINAL APPLICATION.

056
--OUR RECORDS SHOW THAT THE SOCIAL SECURITY NUMBER REPORTED IS CURRENTLY BEING REPORTED BY SOMEONE ELSE. IN AN EFFORT TO DETERMINE WHICH IS CORRECT, WE ARE ASKING YOU TO CHECK YOUR SOCIAL SECURITY NUMBER (SEE BOX 4 IN SECTION 1). IF IT IS YOUR SOCIAL SECURITY NUMBER, YOU DO NOT NEED TO TAKE ANY FURTHER ACTION ON THIS ITEM. IF IT IS INCORRECT, PLEASE ENTER YOUR CORRECT NUMBER IN THE BLANKS BELOW, SIGN AND RETURN THE LAST COPY OF THIS REPORT.
APPLICANT'S SOCIAL SECURITY NUMBER ___-__-____

057
--YOU ARE NOT ELIGIBLE TO RECEIVE A BASIC GRANT (BEOG) IN 1979-80. YOUR ELIGIBILITY INDEX IS 99999 BASED ON THE FORMULA APPLIED TO THE INFORMATION SUBMITTED ON YOUR APPLICATION. AN APPLICANT'S ELIGIBILITY INDEX MUST BE LESS THAN 1601 TO BE ELIGIBLE FOR A GRANT. SUBMIT THIS REPORT TO YOUR FINANCIAL AID OFFICE AT YOUR SCHOOL SINCE YOUR SCHOOL MAY NEED IT FOR THEIR RECORDS, AND ASK ABOUT OTHER STUDENT AID PROGRAMS FOR WHICH YOU MAY BE ELIGIBLE.

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063
--IF ANY ASSUMPTIONS ON THIS REPORT ARE INCORRECT, THIS REPORT IS VOID AND YOU MUST SUBMIT CORRECTIONS TO: BASIC GRANTS, P.O. BOX H, IOWA CITY, IOWA 52240. IF ALL ASSUMPTIONS ARE CORRECT, FOLLOW THE INSTRUCTIONS ON THE BACK OF THIS REPORT.

064
--SEE ADDITIONAL COMMENTS IN THE ATTACHED REPORT.

065
--ADDITIONAL COMMENTS ABOUT YOUR APPLICATION:

066
--REVIEW BOX 18 IN SECTION 1 ABOVE, WHICH SHOULD INCLUDE ONLY THE NUMBER OF PERSONS FROM BOX 17 THAT WILL BE ENROLLED IN COLLEGE OR OTHER EDUCATION BEYOND HIGH SCHOOL IN 1979-80.
IF THESE NUMBERS ARE CORRECT, YOU DO NOT NEED TO TAKE ANY FURTHER ACTION ON THIS ITEM.
IF THESE NUMBERS ARE INCORRECT, MAKE THE APPROPRIATE CHANGES ON THE LAST COPY OF THIS REPORT, SIGN AND RETURN IT.

067
--THE ADDRESS CORRECTION YOU REQUESTED HAS BEEN MADE ON YOUR STUDENT ELIGIBILITY REPORT (SER) PROCESSED 99/99/99. NO OTHER INFORMATION HAS BEEN CHANGED.

068
--REVIEW THE AMOUNTS IN BOXES 20 AND 23 IN SECTION 1 ABOVE BECAUSE IT APPEARS YOU HAVE REPORTED THE SAME INCOME MORE THAN ONCE.
IF THESE AMOUNTS ARE CORRECT, YOU DO NOT NEED TO TAKE ANY FURTHER ACTION ON THIS ITEM.
IF THE SAME INCOME IS LISTED MORE THAN ONCE, MAKE THE APPROPRIATE CHANGES ON THE LAST COPY OF THIS REPORT, SIGN AND RETURN IT.

069
--REVIEW THE AMOUNTS IN BOXES 31-38 IN SECTION 1 ABOVE.
IF THESE AMOUNTS ARE CORRECT, YOU DO NOT NEED TO TAKE ANY FURTHER ACTION ON THIS ITEM.
IF THESE AMOUNTS ARE INCORRECT, MAKE THE APPROPRIATE CHANGES ON THE LAST COPY OF THIS REPORT, SIGN AND RETURN IT.

070
--WHAT IS APPLICANT'S MARITAL STATUS? _____
HOW MANY MEMBERS IN APPLICANT'S HOUSEHOLD?. . . . . ___

071
--WHAT IS APPLICANT'S MARITAL STATUS? _____

072
--HOW MANY MEMBERS IN APPLICANT'S HOUSEHOLD? ___

073
--HOW MANY IN APPLICANT'S HOUSEHOLD WILL BE IN COLLEGE OR OTHER EDUCATION BEYOND HIGH SCHOOL IN 1979-80?. . . . . ___

087
--WHAT IS PARENTS' ESTIMATED 1979 ADJUSTED GROSS INCOME?. . . . . $_____

088
--REVIEW THE AMOUNTS IN BOXES 23, 24, AND 25 BECAUSE THE AMOUNT(S) REPORTED FOR INCOME EARNED BY FATHER AND/OR MOTHER IS LARGER THAN THE AMOUNT REPORTED FOR 1979 ADJUSTED GROSS INCOME.
ARE THESE AMOUNTS CORRECT? CIRCLE ONE: YES NO

IF YOU CIRCLED YES, SIGN AND RETURN THE LAST COPY OF THIS REPORT.
IF YOU CIRCLED NO, PROVIDE THE FOLLOWING:
PARENTS' ESTIMATED 1979 ADJUSTED GROSS INCOME . . . . . $_____
ESTIMATED INCOME EARNED BY FATHER $_____
ESTIMATED INCOME EARNED BY MOTHER $_____
PARENTS' ESTIMATED 1979 U.S. ITEMIZED DEDUCTIONS. . . . . $_____ (D)

089
--GIVE THE FOLLOWING INFORMATION ABOUT 1979 INCOME:
PARENTS' ESTIMATED 1979 TOTAL NONTAXABLE INCOME . . . . . $_____
NUMBER OF EXEMPTIONS TO BE CLAIMED ON 1979 U.S. INCOME TAX RETURN(S). . . #____
PARENTS' ESTIMATED 1979 ADJUSTED GROSS INCOME. . . . . $_____
ESTIMATED INCOME EARNED BY FATHER $_____
ESTIMATED INCOME EARNED BY MOTHER $_____
PARENTS' ESTIMATED 1979 U.S. ITEMIZED DEDUCTIONS . . . . . $_____

090
ASSUMED APPLICANT'S ESTIMATED 1979 ADJUSTED GROSS INCOME = $ 0.

091
--WHAT IS APPLICANT'S ESTIMATED 1979 ADJUSTED GROSS INCOME? . . . . . $_____



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095
--GIVE THE FOLLOWING INFORMATION ABOUT 1979 INCOME:
APPLICANT AND SPOUSE'S ESTIMATED
1979 TOTAL NONTAXABLE INCOME . . . $_____
NUMBER OF EXEMPTIONS TO BE CLAIMED
ON 1979 U.S. INCOME TAX RETURN(S) #____
APPLICANT AND SPOUSE'S ESTIMATED
1979 ADJUSTED GROSS INCOME . . . . $_____
ESTIMATED INCOME EARNED BY
APPLICANT. . . . . $_____
ESTIMATED INCOME EARNED BY SPOUSE $_____
APPLICANT AND SPOUSE'S ESTIMATED
1979 U.S. ITEMIZED DEDUCTIONS. . . $_____

096
--REVIEW BOX 4 IN SECTION 1 ABOVE. IF CORRECT, YOU DO NOT NEED TO TAKE ANY FURTHER ACTION ON THIS ITEM. IF INCORRECT, MAKE THE CORRECTION ON THE LAST COPY OF THIS REPORT, SIGN AND RETURN IT.

097
--REVIEW BOXES 22, 23, 24, AND 25 IN SECTION 1 ABOVE. IF THESE AMOUNTS ARE CORRECT, YOU DO NOT NEED TO TAKE ANY FURTHER ACTION ON THIS ITEM. IF THESE AMOUNTS ARE INCORRECT, MAKE THE APPROPRIATE CHANGES ON THE LAST COPY OF THIS REPORT, SIGN AND RETURN IT IMMEDIATELY TO:

BASIC GRANTS
P.O. BOX H
IOWA CITY, IOWA 52240

098
--REVIEW BOXES 20, 23, AND 24 BECAUSE YOU REPORTED [illegible] OR NO INCOME FOR 1978. (DO NOT INCLUDE VETERAN'S EDUCATIONAL BENEFITS, OR AMOUNTS RECEIVED FROM STUDENT AID PROGRAMS.)
IS THIS INCOME INFORMATION CORRECT? CIRCLE ONE: YES NO

IF YOU CIRCLED YES, SIGN AND RETURN THE LAST COPY OF THIS REPORT.
IF YOU CIRCLED NO, PROVIDE THE FOLLOWING:
APPLICANT'S 1978 TOTAL NONTAXABLE INCOME . . . . . $_____
NUMBER OF EXEMPTIONS CLAIMED ON 1978 U.S. INCOME TAX RETURN . . . . . #____
APPLICANT'S 1978 ADJUSTED GROSS INCOME . . . . . $_____
INCOME EARNED BY APPLICANT. . . . $_____
APPLICANT'S 1978 U.S. INCOME TAX PAID (LINE 47 OF 1040, OR LINE 13 OF 1040A) . . . . . $_____
APPLICANT'S 1978 ITEMIZED DEDUCTIONS . . . . . $_____ (F)

101
--REVIEW BOXES 20, 23, AND 24 BECAUSE YOU REPORTED LITTLE OR NO INCOME FOR 1979. (DO NOT INCLUDE VETERAN'S EDUCATIONAL BENEFITS, OR AMOUNTS RECEIVED FROM STUDENT AID PROGRAMS.)
IS THIS INCOME INFORMATION CORRECT? CIRCLE ONE: YES NO

IF YOU CIRCLED YES, SIGN AND RETURN THE LAST COPY OF THIS REPORT.
IF YOU CIRCLED NO, PROVIDE THE FOLLOWING:
APPLICANT'S ESTIMATED 1979 TOTAL NONTAXABLE INCOME. . . . . $_____
NUMBER OF EXEMPTIONS TO BE CLAIMED ON 1979 U.S. INCOME TAX RETURN . . #____
APPLICANT'S ESTIMATED 1979 ADJUSTED GROSS INCOME . . . . . $_____
ESTIMATED INCOME EARNED BY APPLICANT. . . . . $_____
APPLICANT'S ESTIMATED 1979 U.S. ITEMIZED DEDUCTIONS. . . . . $_____(F)

102
--REVIEW BOXES 20, 23, 24, AND 25 BECAUSE YOU REPORTED LITTLE OR NO FAMILY INCOME FOR 1979. (DO NOT INCLUDE VETERAN'S EDUCATIONAL BENEFITS, OR AMOUNTS RECEIVED FROM STUDENT AID PROGRAMS.)
IS THIS INCOME INFORMATION CORRECT? CIRCLE ONE: YES NO

IF YOU CIRCLED YES, SIGN AND RETURN THE LAST COPY OF THIS REPORT.
IF YOU CIRCLED NO, PROVIDE THE FOLLOWING:
APPLICANT AND SPOUSE'S ESTIMATED 1979 TOTAL NONTAXABLE INCOME. . . . . $_____
NUMBER OF EXEMPTIONS TO BE CLAIMED ON 1979 U.S. INCOME TAX RETURNS . . #____
APPLICANT AND SPOUSE'S ESTIMATED 1979 ADJUSTED GROSS INCOME . . . . . $_____
ESTIMATED INCOME EARNED BY APPLICANT. . . . . $_____
ESTIMATED INCOME EARNED BY SPOUSE $_____
APPLICANT AND SPOUSE'S ESTIMATED 1979 U.S. ITEMIZED DEDUCTIONS. . . $_____(F)



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108
--GIVE 1978 U.S. INCOME TAX PAID (LINE 47 OF IRS FORM 1040, OR LINE 13 OF 1040A) . . . . . $_____.
GIVE 1978 U.S. ITEMIZED DEDUCTIONS $_____
109
--WHAT WAS YOUR 1978 U.S. INCOME TAX FILING STATUS? CHECK ONLY ONE:
COMPLETED RETURN. . . . . ___
ESTIMATED . . . . . ___
WILL NOT FILE RETURN FOR 1978 . . . ___
110
--YOU MUST USE THE FOLLOWING IRS LINE REFERENCES IN PROVIDING THE REQUESTED INCOME INFORMATION:
1978 NUMBER OF EXEMPTIONS CLAIMED (LINE 7 OF IRS FORM 1040, OR LINE 6 OF 1040A).
1978 ADJUSTED GROSS INCOME (LINE 31 OF IRS FORM 1040, OR LINE 10 OF 1040A).
1978 U.S. ITEMIZED DEDUCTIONS (LINE 39 OF IRS TAX RETURN SCHEDULE A).
111
--THIS STUDENT ELIGIBILITY REPORT (SER) WAS SENT TO YOU BECAUSE WE HAVE RECEIVED NO RESPONSE TO YOUR PREVIOUS REPORT WHICH WAS PROCESSED ON 99/99/99. IF YOU HAVE RECENTLY SUBMITTED CORRECTIONS, DISREGARD THIS REPORT. IF YOU HAVE NOT SUBMITTED CORRECTIONS AND WISH TO BE CONSIDERED FOR A BASIC GRANT (BEOG) AWARD, PLEASE FOLLOW THE INSTRUCTIONS BELOW.
112
--THE STUDENT ELIGIBILITY REPORT (SER) THAT YOU RECENTLY SUBMITTED WAS NOT SIGNED BY YOU AND/OR YOUR PARENT. BOTH YOU AND YOUR PARENT MUST SIGN THE CERTIFICATION STATEMENT ON THE BACK OF THE LAST COPY OF THIS REPORT AND RETURN THAT COPY.
113
--YOU DID NOT SIGN YOUR APPLICATION. YOU MUST SIGN THE CERTIFICATION STATEMENT ON THE BACK OF THE LAST COPY OF THIS REPORT AND RETURN THAT COPY.
114
--THE STUDENT ELIGIBILITY REPORT (SER) THAT YOU RECENTLY SUBMITTED WAS NOT SIGNED. YOU MUST SIGN THE CERTIFICATION STATEMENT ON THE BACK OF THE LAST COPY OF THIS REPORT AND RETURN THAT COPY.
115
--YOU HAVE REPORTED A BLANK OR NEGATIVE AMOUNT THAT CANNOT BE ACCEPTED. COMPLETE THE FOLLOWING:
116
TOTAL NONTAXABLE INCOME . . . . . $_____
117
U.S. INCOME TAX PAID (LINE 47 OF IRS FORM 1040, OR LINE 13 OF 1040A). . $_____
118
U.S. ITEMIZED DEDUCTIONS. . . . . $_____
119
MEDICAL AND DENTAL EXPENSES . . . . $_____
CASUALTY AND THEFT LOSSES . . . . . $_____

128
--REVIEW THE AMOUNTS IN BOXES 20, 23, 24, 25, AND 26 IN SECTION 1 ABOVE BECAUSE THEY APPEAR TO BE INCONSISTENT.
ARE THESE AMOUNTS CORRECT? CIRCLE ONE: YES NO

IF YOU CIRCLED YES, SIGN AND RETURN THE LAST COPY OF THIS REPORT.
IF YOU CIRCLED NO, PROVIDE THE FOLLOWING:
IS THE PARENT CIRCLE ONE: FATHER MOTHER

1978 TOTAL NONTAXABLE INCOME OF THAT PARENT. . . . . $_____
NUMBER OF EXEMPTIONS CLAIMED ON 1978 U.S. INCOME TAX RETURN . . . . . #____
1978 ADJUSTED GROSS INCOME OF THAT PARENT . . . . . $_____
INCOME EARNED BY THAT PARENT. . . $_____
1978 U.S. INCOME TAX PAID (LINE 47 OF IRS FORM 1040, OR LINE 13 OF 1040A) . . . . . $_____
1978 U.S. ITEMIZED DEDUCTIONS OF THAT PARENT. . . . . $_____ (B)

129
--YOU INDICATED YOU WILL RECEIVE A BACHELOR'S DEGREE BEFORE JULY 1, 1979. THEREFORE, YOU ARE NOT ELIGIBLE FOR A BASIC GRANT (BEOG) AND NO FURTHER ACTION IS NECESSARY ON YOUR PART. IF YOU WILL NOT RECEIVE A BACHELOR'S DEGREE OR ITS EQUIVALENT BEFORE JULY 1, 1979, YOU SHOULD CORRECT BOX 8 IN SECTION 1 ABOVE, OR ENTER IT CORRECTLY ON A NEW APPLICATION IF REQUESTED BELOW.

130
--THE INFORMATION YOU HAVE JUST SUBMITTED FOR THE 1979-80 ACADEMIC YEAR WILL NOT BE PROCESSED UNTIL YOU HAVE PROVIDED CERTAIN ADDITIONAL INFORMATION TO THIS OFFICE. OUR RECORDS INDICATE THAT IN A PRIOR ACADEMIC YEAR YOUR APPLICATION MAY HAVE INCLUDED SOME INCORRECT INFORMATION. THIS OFFICE HAS PREVIOUSLY CONTACTED YOU CONCERNING THIS MATTER AND HAS NOT YET RECEIVED YOUR RESPONSE. BEFORE YOUR 1979-80 APPLICATION WILL BE PROCESSED YOU MUST CONTACT THIS OFFICE AT THE ADDRESS BELOW. PLEASE ENCLOSE ONE COPY OF THIS STUDENT ELIGIBILITY REPORT WITH YOUR LETTER.

BASIC GRANTS VALIDATION UNIT
P.O. BOX 34437
WASHINGTON, D.C. 20034

138
--REVIEW THE AMOUNT IN TOTAL NONTAXABLE INCOME (BOX 20). INFORMATION FROM THE SOCIAL SECURITY ADMINISTRATION INDICATES THAT THIS AMOUNT MAY BE INCORRECT.

TOTAL NONTAXABLE INCOME (BOX 20) MUST INCLUDE: A) ANY SOCIAL SECURITY BENEFITS RECEIVED IN 1978 BY YOUR PARENT(S) AND YOU, AND B) OTHER NONTAXABLE INCOME RECEIVED IN 1978 BY YOUR PARENT(S) SUCH AS WELFARE BENEFITS, CHILD SUPPORT, VETERAN'S BENEFITS (EXCEPT EDUCATIONAL BENEFITS), UNEMPLOYMENT COMPENSATION, ETC.

IS THE AMOUNT IN BOX 20 CORRECT? CIRCLE ONE: YES NO

IF YOU CIRCLED YES, SIGN AND RETURN THE LAST COPY OF THIS REPORT.

IF YOU CIRCLED NO, PROVIDE THE FOLLOWING:

1978 TOTAL NONTAXABLE INCOME. . . . $_____ (S)

139
--REVIEW THE AMOUNT IN TOTAL NONTAXABLE INCOME (BOX 20). INFORMATION FROM THE SOCIAL SECURITY ADMINISTRATION INDICATES THAT THIS AMOUNT MAY BE INCORRECT.

TOTAL NONTAXABLE INCOME (BOX 20) MUST INCLUDE: A) ANY SOCIAL SECURITY BENEFITS RECEIVED IN 1978 BY YOUR PARENT(S) AND YOU, AND B) OTHER NONTAXABLE INCOME RECEIVED IN 1978 BY YOUR PARENT(S) SUCH AS WELFARE BENEFITS, CHILD SUPPORT, VETERAN'S BENEFITS (EXCEPT EDUCATIONAL BENEFITS), UNEMPLOYMENT COMPENSATION, ETC.

IS THE AMOUNT IN BOX 20 CORRECT? CIRCLE ONE: YES NO

IF YOU CIRCLED YES, SIGN AND RETURN THE LAST COPY OF THIS REPORT.

IF YOU CIRCLED NO, PROVIDE THE FOLLOWING:

1978 TOTAL NONTAXABLE INCOME. . . . $_____ (T)

140
--WHAT IS PARENTS' MARITAL STATUS? . . _____

HOW MANY MEMBERS IN PARENTS' HOUSEHOLD? ___



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143
SINCE THIS IS YOUR FIRST BASIC GRANT (BEOG) APPLICATION FOR 1979-80, YOU ARE NOT ELIGIBLE TO FILE A SUPPLEMENTAL FORM BASED ON THE DIVORCE OR SEPARATION OF YOUR PARENTS. THE CONDITION REQUIRES THAT THE DIVORCE OR SEPARATION OCCUR AFTER THE FILING OF THE ORIGINAL APPLICATION.

144
SINCE THIS IS YOUR FIRST BASIC GRANT (BEOG) APPLICATION FOR 1979-80, YOU ARE NOT ELIGIBLE TO FILE A SUPPLEMENTAL FORM BASED ON YOUR DIVORCE OR SEPARATION. THIS CONDITION REQUIRES THAT THE DIVORCE OR SEPARATION OCCUR AFTER THE FILING OF THE ORIGINAL APPLICATION.

145
ALTHOUGH YOU INDICATED THAT YOUR PARENTS HAVE BECOME DIVORCED OR SEPARATED SINCE THE SUBMISSION OF A 1979-80 BASIC GRANT (BEOG) APPLICATION, PARENTS' MARITAL STATUS WAS NOT REPORTED AS DIVORCED OR SEPARATED. YOU SHOULD CONTACT YOUR COUNSELOR OR FINANCIAL AID OFFICE BEFORE REFILING FOR A BASIC GRANT FOR THE 1979-80 SCHOOL YEAR.

149
--REVIEW THE AMOUNTS IN BOXES 20, 23, 24, AND 25 IN SECTION I ABOVE BECAUSE THEY APPEAR TO BE INCONSISTENT.
ARE THESE AMOUNTS CORRECT?

CIRCLE ONE:
YES NO

IF YOU CIRCLED YES, SIGN AND RETURN THE LAST COPY OF THIS REPORT.
IF YOU CIRCLED NO, PROVIDE THE FOLLOWING:
IS THE PARENT

CIRCLE ONE:
FATHER MOTHER

ESTIMATED 1979 TOTAL NONTAXABLE INCOME OF THAT PARENT. . . . . $_____
NUMBER OF EXEMPTIONS TO BE CLAIMED ON 1979 U.S. INCOME TAX RETURN . . #____
ESTIMATED 1979 ADJUSTED GROSS INCOME OF THAT PARENT . . . . . $_____
ESTIMATED 1979 INCOME EARNED BY THAT PARENT. . . . . $_____
ESTIMATED 1979 U.S. ITEMIZED DEDUCTIONS OF THAT PARENT. . . . . $_____ (B)

150
--THIS REPORT IS VOID. YOU DID NOT SUBMIT A NEW BASIC GRANT (BEOG) APPLICATION WITH YOUR SUPPLEMENTAL FORM.
IF YOU MEET A CONDITION FOR FILING A SUPPLEMENTAL FORM, PLEASE RESUBMIT A SUPPLEMENTAL FORM WITH A BASIC GRANT APPLICATION.
IF YOU DO NOT MEET A CONDITION FOR FILING A SUPPLEMENTAL FORM AND HAVE NOT SUBMITTED A BASIC GRANT APPLICATION REPORTING 1978 INCOME INFORMATION, YOU SHOULD SUBMIT AN APPLICATION IMMEDIATELY.

151
--YOUR BEOG SUPPLEMENTAL FORM USING ESTIMATED 1979 INCOME INFORMATION CANNOT BE ACCEPTED BECAUSE:

152
YOU DID NOT INDICATE THAT THE DATE OF YOUR PARENTS' DIVORCE OR SEPARATION WAS IN 1979 OR 1980. THIS IS A REQUIREMENT FOR FILING A SUPPLEMENTAL FORM UNDER THE CONDITION YOU SPECIFIED.

153
YOU DID NOT INDICATE THAT THE DATE OF YOUR DIVORCE OR SEPARATION WAS IN 1979 OR 1980. THIS IS A REQUIREMENT FOR FILING A SUPPLEMENTAL FORM UNDER THE CONDITION YOU SPECIFIED.

154
YOU DID NOT INDICATE THAT THE DATE OF YOUR PARENT'S DEATH WAS IN 1978 OR 1979. THIS IS A REQUIREMENT FOR FILING A SUPPLEMENTAL FORM UNDER THE CONDITION YOU SPECIFIED.



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164
--IF YOU DO MEET ONE OF THE CONDITIONS LISTED ON THE SUPPLEMENTAL FORM, YOU MUST RESUBMIT ANOTHER SUPPLEMENTAL FORM AND APPLICATION.
WE HAVE PROCESSED THE APPLICATION THAT ACCOMPANIED YOUR SUPPLEMENTAL FORM. THE RESULTS, BASED UPON THAT 1978 INFORMATION, ARE LISTED BELOW:

165
--YOUR SUPPLEMENTAL FORM WAS NOT SIGNED BY YOU AND/OR YOUR PARENT. BOTH YOU AND YOUR PARENT MUST SIGN THE CERTIFICATION STATEMENT ON THE BACK OF THE LAST COPY OF THIS REPORT AND RETURN THAT COPY.

166
--YOU HAVE NOT GIVEN SUFFICIENT INCOME INFORMATION TO CALCULATE A BASIC GRANT (BEOG) ELIGIBILITY INDEX. YOU MUST SUBMIT ANOTHER SUPPLEMENTAL FORM AND APPLICATION. EVERY QUESTION IN SECTIONS A, B, AND C MUST BE ANSWERED. PAY SPECIAL ATTENTION TO COMPLETING SECTION C AND ANSWER EVERY QUESTION FOR EVERY YEAR. BASED ON YOUR ANSWERS IN SECTION C, COMPLETE EITHER SECTION D OR E ON THE APPLICATION AND SECTIONS 3 OR 4 ON THE SUPPLEMENTAL FORM. BOTH THE APPLICATION AND SUPPLEMENTAL FORM MUST BE SIGNED BY THE APPLICANT AND ALL PERSONS WHOSE FINANCIAL INFORMATION IS PROVIDED.

167
--YOUR SUPPLEMENTAL FORM WAS NOT SIGNED. YOU MUST SIGN THE CERTIFICATION STATEMENT ON THE BACK OF THE LAST COPY OF THIS REPORT AND RETURN THAT COPY.

168
YOU WERE ALLOWED TO FILE A SUPPLEMENTAL FORM BECAUSE YOUR PARENT DIED SINCE THE SUBMISSION OF YOUR PREVIOUS 1979-80 BASIC GRANT (BEOG) APPLICATION.

169
YOU WERE ALLOWED TO FILE A SUPPLEMENTAL FORM BECAUSE, SINCE THE SUBMISSION OF YOUR PREVIOUS 1979-80 BASIC GRANT (BEOG) APPLICATION YOUR PARENTS HAVE BECOME DIVORCED OR SEPARATED IN 1979 OR 1980.

170
YOU WERE ALLOWED TO FILE A SUPPLEMENTAL FORM BECAUSE, SINCE THE SUBMISSION OF YOUR REGULAR 1979-80 BASIC GRANT (BEOG) APPLICATION YOU HAVE BECOME DIVORCED OR SEPARATED IN 1979 OR 1980.

171
YOU WERE ALLOWED TO FILE A SUPPLEMENTAL FORM BECAUSE YOUR PARENT OR SPOUSE DIED SINCE THE SUBMISSION OF YOUR PREVIOUS 1979-80 BASIC GRANT (BEOG) APPLICATION.

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179
--REVIEW THE AMOUNTS IN BOXES 31 AND 32 IN SECTION 1 ABOVE BECAUSE THE AMOUNT REPORTED FOR HOME MORTGAGE IS LARGER THAN THE AMOUNT REPORTED FOR HOME VALUE. BE SURE THAT INTEREST OWED ON THIS MORTGAGE IS NOT INCLUDED IN BOX 32.

-- [illegible] CORRECT?

CIRCLE ONE:
YES NO

IF YOU CIRCLED YES, [illegible] THE LAST COPY OF THIS REPORT.
IF YOU CIRCLED NO, [illegible]
PRESENT MARKET VALUE OF [illegible] $_____
UNPAID MORTGAGE OF HOME (DO NOT INCLUDE INTEREST). . . . . $_____ (H)

180
--REVIEW THE AMOUNTS IN BOXES 33 AND 34 IN SECTION 1 ABOVE BECAUSE THE AMOUNT REPORTED FOR INVESTMENTS AND REAL ESTATE DEBT(S) IS LARGER THAN THE AMOUNT REPORTED FOR INVESTMENTS AND REAL ESTATE VALUE. BE SURE THAT INTEREST OWED ON THIS DEBT(S) IS NOT INCLUDED IN BOX 34.
ARE THESE AMOUNTS CORRECT?

CIRCLE ONE:
YES NO

IF YOU CIRCLED YES, SIGN AND RETURN THE LAST COPY OF THIS REPORT.
IF YOU CIRCLED NO, PROVIDE THE FOLLOWING:
PRESENT MARKET VALUE OF INVESTMENTS AND REAL ESTATE. . . . . $_____
INVESTMENTS AND REAL ESTATE DEBT(S) (DO NOT INCLUDE INTEREST). . . . . $_____ (I)

181
--REVIEW THE AMOUNTS IN BOXES 35 AND 36 IN SECTION 1 ABOVE BECAUSE THE AMOUNT REPORTED FOR BUSINESS DEBT(S) IS LARGER THAN THE AMOUNT REPORTED FOR BUSINESS VALUE. BE SURE THAT INTEREST OWED ON THIS DEBT(S) IS NOT INCLUDED IN BOX 36.
ARE THESE AMOUNTS CORRECT?

CIRCLE ONE:
YES NO

IF YOU CIRCLED YES, SIGN AND RETURN THE LAST COPY OF THIS REPORT.
IF YOU CIRCLED NO, PROVIDE THE FOLLOWING:
PRESENT MARKET VALUE OF BUSINESS. . $_____
BUSINESS DEBT(S) (DO NOT INCLUDE INTEREST). . . . . $_____ (J)

185
--REVIEW THE AMOUNTS IN BOXES 20, 23, AND 24 IN SECTION 1 ABOVE BECAUSE THEY APPEAR TO BE INCONSISTENT.
ARE THESE AMOUNTS CORRECT? CIRCLE ONE: YES NO

IF YOU CIRCLED YES, SIGN AND RETURN THE LAST COPY OF THIS REPORT.
IF YOU CIRCLED NO, PROVIDE THE FOLLOWING:

APPLICANT'S ESTIMATED 1979 TOTAL NONTAXABLE INCOME. . . . . $_____
NUMBER OF EXEMPTIONS TO BE CLAIMED ON 1979 U.S. INCOME TAX RETURN . . #___
APPLICANT'S ESTIMATED 1979 ADJUSTED GROSS INCOME . . . . . $_____
ESTIMATED 1979 INCOME EARNED BY APPLICANT. . . . . $_____
APPLICANT'S ESTIMATED 1979 U.S. ITEMIZED DEDUCTIONS. . . . . $_____ (B)

186
--ACCORDING TO OUR RECORDS, YOU HAVE RECEIVED AT LEAST THREE YEARS OF BASIC GRANT (BEOG) ASSISTANCE. STUDENTS GENERALLY MAY RECEIVE UP TO FOUR FULL YEARS OF BASIC GRANT PAYMENTS. IF YOU HAVE NOT ALREADY RECEIVED FOUR FULL YEARS OF PAYMENTS, 1979-80 MAY BE YOUR LAST YEAR TO RECEIVE A BASIC GRANT. CONTACT YOUR FINANCIAL AID OFFICE FOR FURTHER INFORMATION.

187
THE DATE YOU GAVE FOR YOUR PARENTS' LOSS OF UNEMPLOYMENT BENEFITS HAD NOT YET OCCURRED WHEN YOU FILED. YOU SHOULD CONTACT YOUR COUNSELOR OR FINANCIAL AID OFFICE BEFORE REFILING FOR A BASIC GRANT (BEOG) FOR THE 1979-80 SCHOOL YEAR.

188
THE NUMBER OF WEEKS YOU INDICATED YOUR PARENT HAS BEEN UNEMPLOYED HAD NOT YET ELAPSED IN THE YEAR WHEN YOU FILED. YOU SHOULD CONTACT YOUR COUNSELOR OR FINANCIAL AID OFFICE BEFORE REFILING FOR A BASIC GRANT (BEOG) FOR THE 1979-80 SCHOOL YEAR.

189
THE NUMBER OF WEEKS YOU INDICATED YOUR PARENT WAS UNABLE TO PURSUE NORMAL INCOME-PRODUCING ACTIVITIES DUE TO DISABILITY OR NATURAL DISASTER HAD NOT YET ELAPSED IN THE YEAR WHEN YOU FILED. YOU SHOULD CONTACT YOUR COUNSELOR OR FINANCIAL AID OFFICE BEFORE REFILING FOR A BASIC GRANT (BEOG) FOR THE 1979-80 SCHOOL YEAR.



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197
THE DATE YOU GAVE FOR YOUR PARENT'S DEATH HAD NOT YET OCCURRED WHEN YOU FILED. YOU SHOULD CONTACT YOUR COUNSELOR OR FINANCIAL AID OFFICE BEFORE REFILING FOR A BASIC GRANT (BEOG) FOR THE 1979-80 SCHOOL YEAR.

198
ALTHOUGH YOU INDICATED THAT YOUR SPOUSE BECAME UNEMPLOYED IN 1979, THE APPLICATION THAT ACCOMPANIED YOUR SUPPLEMENTAL FORM SHOWED NO INCOME FOR YOUR SPOUSE IN 1978. YOU SHOULD CONTACT YOUR COUNSELOR OR FINANCIAL AID OFFICE BEFORE REFILING FOR A BASIC GRANT (BEOG) FOR THE 1979-80 SCHOOL YEAR.

199
ALTHOUGH YOU INDICATED THAT YOU OR YOUR SPOUSE HAD BECOME UNABLE TO PURSUE NORMAL INCOME-PRODUCING ACTIVITIES DUE TO DISABILITY OR NATURAL DISASTER THAT OCCURRED IN 1978 OR 1979, THE APPLICATION THAT ACCOMPANIED YOUR SUPPLEMENTAL FORM SHOWED NO EARNED INCOME FOR EITHER YOU OR YOUR SPOUSE IN 1978. YOU SHOULD CONTACT YOUR COUNSELOR OR FINANCIAL AID OFFICE BEFORE REFILING FOR A BASIC GRANT (BEOG) FOR THE 1979-80 SCHOOL YEAR.

200
--REVIEW THE AMOUNT IN BOX 30 IN SECTION 1 ABOVE. IF THIS AMOUNT IS CORRECT, YOU DO NOT NEED TO TAKE ANY FURTHER ACTION ON THIS ITEM. IF THIS AMOUNT IS INCORRECT, MAKE THE CORRECTION ON THE LAST COPY OF THIS REPORT, SIGN AND RETURN IT.

201
--THE APPLICATION FORM THAT YOU SUBMITTED CANNOT BE ACCEPTED BECAUSE YOU FILED AS A DEPENDENT STUDENT AND YOU INDICATED BOTH OF YOUR PARENTS ARE DECEASED. THIS REPORT IS VOID. KEEP IT FOR YOUR RECORDS.

IF YOUR PARENTS ARE BOTH DECEASED, COMPLETE THE ENCLOSED BASIC GRANT APPLICATION AND RETURN IT AS SOON AS POSSIBLE. COMPLETE SECTIONS A, B, AND C BEING SURE TO ANSWER NO TO EVERY QUESTION FOR EVERY YEAR IN SECTION C. THEN COMPLETE SECTIONS E AND F AND SIGN THE APPLICATION.

IF YOUR PARENTS ARE NOT BOTH DECEASED, READ THE INSTRUCTIONS, THEN COMPLETE THE ENCLOSED BASIC GRANT APPLICATION AND RETURN IT AS SOON AS POSSIBLE. EVERY QUESTION IN SECTIONS A, B, AND C MUST BE ANSWERED. PAY SPECIAL ATTENTION TO COMPLETING SECTION C AND ANSWER EVERY QUESTION FOR EVERY YEAR. BASED ON YOUR ANSWERS IN SECTION C, COMPLETE EITHER SECTION D OR E, THEN COMPLETE SECTION F. THE APPLICATION MUST BE SIGNED BY THE APPLICANT AND ALL PERSONS WHOSE FINANCIAL INFORMATION IS PROVIDED.

206
--REVIEW THE AMOUNTS IN BOXES 20, 23, 24, AND 25 IN SECTION 1 ABOVE BECAUSE THEY APPEAR TO BE INCONSISTENT.
ARE THESE AMOUNTS CORRECT? CIRCLE ONE: YES NO

IF YOU CIRCLED YES, SIGN AND RETURN THE LAST COPY OF THIS REPORT.
IF YOU CIRCLED NO, PROVIDE THE FOLLOWING:
APPLICANT AND SPOUSE'S ESTIMATED 1979 TOTAL NONTAXABLE INCOME . . . $_____
NUMBER OF EXEMPTIONS TO BE CLAIMED ON 1979 U.S. INCOME TAX RETURN(S) #___
APPLICANT AND SPOUSE'S ESTIMATED 1979 ADJUSTED GROSS INCOME . . . . $_____
ESTIMATED 1979 INCOME EARNED BY APPLICANT. . . . . $_____
ESTIMATED 1979 INCOME EARNED BY SPOUSE . . . . . $_____
APPLICANT AND SPOUSE'S ESTIMATED 1979 U.S. ITEMIZED DEDUCTIONS. . . $_____ (B)

207
--THE APPLICANT HAS REPORTED AN INCORRECT BIRTHDATE.
WHAT IS THE APPLICANT'S BIRTHDATE? __/__/__
MO.DA.YR.

208
--THIS REPORT IS A RESULT OF YOUR FORM SUBMITTED TO XXXXX.

209
BASED ON YOUR ELIGIBILITY INDEX OF 9999, YOUR BASIC GRANT (BEOG) AWARD COULD RANGE FROM $9999 TO $9999, DEPENDING ON YOUR COST OF EDUCATION AND IF YOU ATTEND A SCHOOL FOR A FULL ACADEMIC YEAR ON A FULL-TIME BASIS. YOUR BASIC GRANT AWARD WILL BE CALCULATED BY YOUR SCHOOL.
999999999-XX-99 99999

210
--IF YOU DO MEET ONE OF THE CONDITIONS LISTED ON THE SUPPLEMENTAL FORM, YOU MUST RESUBMIT ANOTHER SUPPLEMENTAL FORM AND APPLICATION.

211
--THIS STUDENT ELIGIBILITY REPORT (SER) IS A DUPLICATE OF THE REPORT PROCESSED 99/99/99. NO INFORMATION IN SECTION 1 HAS BEEN CHANGED.



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218
--REVIEW THE AMOUNT IN BOX 41 IN SECTION 1 ABOVE. PLEASE REVIEW YOUR RECORDS AGAIN TO MAKE SURE YOU HAVE REPORTED THE CORRECT AMOUNT OF VETERAN'S EDUCATIONAL BENEFITS THAT YOU (NOT OTHER MEMBERS OF YOUR HOUSEHOLD) WILL RECEIVE PER MONTH FROM THE GI BILL OR SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE PROGRAM BETWEEN JULY 1, 1979 AND JUNE 30, 1980.
IF THIS AMOUNT IS CORRECT, YOU DO NOT NEED TO TAKE ANY FURTHER ACTION ON THIS ITEM.
IF THIS AMOUNT IS INCORRECT, MAKE THE CORRECTION ON THE LAST COPY OF THIS REPORT, SIGN AND RETURN IT.

219
ALTHOUGH YOU INDICATED THAT YOU BECAME UNEMPLOYED IN 1979, THE APPLICATION THAT ACCOMPANIED YOUR SUPPLEMENTAL FORM SHOWED NO INCOME FOR YOU IN 1978. YOU SHOULD CONTACT YOUR COUNSELOR OR FINANCIAL AID OFFICE BEFORE REFILING FOR A BASIC GRANT (BEOG) FOR THE 1979-80 SCHOOL YEAR.

220
YOU DID NOT INDICATE THAT THE DATE OF YOUR OR YOUR SPOUSE'S LOSS OF UNEMPLOYMENT BENEFITS WAS IN 1978-79. THIS IS A REQUIREMENT FOR FILING A SUPPLEMENTAL FORM UNDER THE CONDITION YOU SPECIFIED.

221
THE DATE YOU GAVE FOR YOUR OR YOUR SPOUSE'S LOSS OF UNEMPLOYMENT BENEFITS HAD NOT YET OCCURRED WHEN YOU FILED. YOU SHOULD CONTACT YOUR COUNSELOR OR FINANCIAL AID OFFICE BEFORE REFILING FOR A BASIC GRANT FOR THE 1979-80 SCHOOL YEAR.

222
ALTHOUGH YOU INDICATED THAT YOU OR YOUR SPOUSE EXPERIENCED A LOSS OF UNEMPLOYMENT BENEFITS IN 1978 OR 1979, THE APPLICATION THAT ACCOMPANIED YOUR SUPPLEMENTAL FORM SHOWED NO NONTAXABLE INCOME OR ADJUSTED GROSS INCOME IN 1978. YOU SHOULD CONTACT YOUR COUNSELOR OR FINANCIAL AID OFFICE BEFORE REFILING FOR A BASIC GRANT (BEOG) FOR THE 1979-80 SCHOOL YEAR.

223
YOU WERE ALLOWED TO FILE A SUPPLEMENTAL FORM BECAUSE YOUR PARENT EXPERIENCED A LOSS OF UNEMPLOYMENT BENEFITS IN 1978 OR 1979.

224
YOU WERE ALLOWED TO FILE A SUPPLEMENTAL FORM BECAUSE YOU OR YOUR SPOUSE EXPERIENCED A LOSS OF UNEMPLOYMENT BENEFITS IN 1978 OR 1979.

229

--ACCORDING TO OUR RECORDS, YOU HAVE RECEIVED ALL OF THE BASIC GRANT (BEOG) ASSISTANCE TO WHICH YOU ARE ENTITLED. STUDENTS GENERALLY MAY NOT RECEIVE MORE THAN FOUR FULL YEARS OF BASIC GRANT PAYMENTS AND OUR RECORDS SHOW YOU HAVE ALREADY RECEIVED FOUR FULL YEARS WORTH OF PAYMENTS. YOU MAY BE ELIGIBLE FOR UP TO FIVE YEARS OF BASIC GRANT PAYMENTS IF EITHER: (A) THE PROGRAM OF STUDY LEADING TO A FIRST DEGREE IS DESIGNED BY THE SCHOOL TO BE FIVE YEARS IN LENGTH, OR (B) THE SCHOOL REQUIRED ENROLLMENT IN A REMEDIAL COURSE OF STUDY WHICH MEANT YOU WERE UNABLE TO COMPLETE THE REGULAR PROGRAM IN FOUR ACADEMIC YEARS.
IF YOU HAVE NOT RECEIVED FOUR FULL YEARS OF PAYMENTS OR IF YOU BELIEVE YOU ARE ELIGIBLE FOR A FIFTH YEAR OF BASIC GRANT ASSISTANCE, CHECK HERE. .____
AND ATTACH A STATEMENT FROM YOUR FINANCIAL AID OFFICE THAT WOULD INDICATE THAT YOU ARE ELIGIBLE FOR ADDITIONAL BASIC GRANT ASSISTANCE IN COMPLIANCE WITH THE CONDITIONS AS OUTLINED ABOVE.
IF YOU NEED FURTHER INFORMATION, WRITE TO:
BASIC GRANT RECIPIENT UNIT
ROOM 4651, ROB #3
400 MARYLAND AVENUE, S.W.
WASHINGTON, D.C. 20202

230 (N)

--ACCORDING TO OUR RECORDS, YOU HAVE RECEIVED AT LEAST THREE YEARS OF BASIC GRANT (BEOG) ASSISTANCE. STUDENTS GENERALLY MAY RECEIVE UP TO FOUR FULL YEARS OF BASIC GRANT PAYMENTS. IF YOU HAVE NOT ALREADY RECEIVED FOUR FULL YEARS OF PAYMENTS, 1979-80 MAY BE YOUR LAST YEAR TO RECEIVE A BASIC GRANT. CONTACT YOUR FINANCIAL AID OFFICE FOR FURTHER INFORMATION.

231

--THIS REPORT IS VOID BECAUSE YOU SUBMITTED AN APPLICATION THAT WAS SIGNED BEFORE JANUARY 1, 1979. THEREFORE, YOU MUST COMPLETE THE ENCLOSED BASIC GRANT (BEOG) APPLICATION FORM AND RETURN IT AS SOON AS POSSIBLE.



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235
--REVIEW THE AMOUNTS IN BOXES 23, 24, AND
25 BECAUSE THE AMOUNT REPORTED FOR
INCOME EARNED BY YOUR PARENT IS LARGER
THAN THE AMOUNT REPORTED FOR 1979
ADJUSTED GROSS INCOME.
ARE THESE AMOUNTS CORRECT? . CIRCLE ONE:
YES NO

IF YOU CIRCLED YES, SIGN AND RETURN
THE LAST COPY OF THIS REPORT.
IF YOU CIRCLED NO, PROVIDE THE FOLLOWING:
IS THE PARENT CIRCLE ONE:
FATHER MOTHER

ESTIMATED 1979 ADJUSTED GROSS INCOME
OF THAT PARENT . . . . . $_____
ESTIMATED 1979 INCOME EARNED BY
THAT PARENT. . . . . $_____
ESTIMATED 1979 U.S. ITEMIZED
DEDUCTIONS OF THAT PARENT. . . . . $_____ (D)

236
--GIVE THE FOLLOWING INFORMATION ABOUT 1978 INCOME:
IS THE PARENT CIRCLE ONE:
FATHER MOTHER

1978 TOTAL NONTAXABLE INCOME OF
THAT PARENT. . . . . $_____
NUMBER OF EXEMPTIONS CLAIMED ON 1978
U.S. INCOME TAX RETURN . . . . . #___
1978 ADJUSTED GROSS INCOME OF THAT
PARENT . . . . . $_____
INCOME EARNED BY THAT PARENT. . . $_____
1978 U.S. INCOME TAX PAID BY THAT
PARENT (LINE 47 OF IRS FORM 1040,
OR LINE 13 OF 1040A) . . . . . $_____
1978 U.S. ITEMIZED DEDUCTIONS OF
THAT PARENT. . . . . $_____

237
--GIVE THE FOLLOWING INFORMATION ABOUT 1979 INCOME:
IS THE PARENT CIRCLE ONE:
FATHER MOTHER

ESTIMATED 1979 TOTAL NONTAXABLE
INCOME OF THAT PARENT. . . . . $_____
NUMBER OF EXEMPTIONS TO BE CLAIMED
ON 1979 U.S. INCOME TAX RETURN . . #___
ESTIMATED 1979 ADJUSTED GROSS INCOME
OF THAT PARENT . . . . . $_____
ESTIMATED INCOME EARNED BY THAT
PARENT . . . . . $_____
ESTIMATED 1979 U.S. ITEMIZED
DEDUCTIONS OF THAT PARENT. . . . . $_____

240
--GIVE 1978 INCOME FROM EMPLOYMENT OF
YOUR PARENT. . . . . $_____
IS THIS INCOME CIRCLE ONE:
FATHER'S MOTHER'S

241
--GIVE ESTIMATED 1979 INCOME FROM
EMPLOYMENT OF YOUR PARENT. . . . . $_____
IS THIS INCOME CIRCLE ONE:
FATHER'S MOTHER'S

242
ASSUMED APPLICANT AND SPOUSE'S 1978 ADJUSTED GROSS INCOME = $ 0.

243
ASSUMED APPLICANT AND SPOUSE'S ESTIMATED 1979 ADJUSTED GROSS INCOME = $ 0.

244
--WHAT WAS APPLICANT AND SPOUSE'S 1978
ADJUSTED GROSS INCOME? . . . . . $_____

245
--WHAT IS APPLICANT AND SPOUSE'S
ESTIMATED 1979 ADJUSTED GROSS INCOME?$_____

246
--REVIEW THE AMOUNT IN BOX 41 IN SECTION 1 ABOVE. ONLY INCLUDE THE CORRECT AMOUNT OF VETERAN'S EDUCATIONAL BENEFITS THAT YOU (NOT OTHER MEMBERS OF YOUR HOUSEHOLD) WILL RECEIVE PER MONTH FROM THE GI BILL OR SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE PROGRAM BETWEEN JULY 1, 1979 AND JUNE 30, 1980. IF THIS AMOUNT IS CORRECT, YOU DO NOT NEED TO TAKE ANY FURTHER ACTION ON THIS ITEM. IF THIS AMOUNT IS INCORRECT, MAKE THE CORRECTION ON THE LAST COPY OF THIS REPORT, SIGN AND RETURN IT.

247
--REVIEW THE AMOUNTS IN BOXES 23, 24, 25, AND 26 IN SECTION 1 ABOVE BECAUSE THEY APPEAR TO BE INCONSISTENT.
ARE THESE AMOUNTS CORRECT? CIRCLE ONE:
YES NO

IF YOU CIRCLED YES, SIGN AND RETURN THE LAST COPY OF THIS REPORT.
IF YOU CIRCLED NO, PROVIDE THE FOLLOWING:
NUMBER OF EXEMPTIONS CLAIMED ON 1978 U.S. INCOME TAX RETURN(S). . . . . #____
APPLICANT AND SPOUSE'S 1978 ADJUSTED GROSS INCOME . . . . . $_____
INCOME EARNED BY APPLICANT. . . . $_____
INCOME EARNED BY SPOUSE . . . . . $_____
APPLICANT AND SPOUSE'S 1978 U.S. INCOME TAX PAID (LINE 47 OF IRS FORM 1040, OR LINE 13 OF 1040A). . $_____
APPLICANT AND SPOUSE'S 1978 U.S. ITEMIZED DEDUCTIONS. . . . . $_____ (B)



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254
--OUR RECORDS INDICATE THAT THE CORRECTIONS YOU MADE INCLUDE A SIGNIFICANT DECREASE IN THE AMOUNT REPORTED FOR TOTAL NONTAXABLE INCOME (BOX 20). PLEASE CHECK YOUR RECORDS AGAIN TO MAKE SURE YOU HAVE CORRECTLY REPORTED YOUR TOTAL 1978 NONTAXABLE INCOME. IF THE AMOUNT YOU HAVE REPORTED IS NOT CORRECT, THIS REPORT IS NOT VALID FOR PAYMENT OF A BASIC GRANT (BEOG) AWARD.

255
--OUR RECORDS INDICATE THAT THE CORRECTIONS YOU MADE INCLUDE A SIGNIFICANT DECREASE IN THE NET VALUE OF YOUR ASSETS (BOXES 31-39). THE AMOUNTS YOU ORIGINALLY REPORTED WOULD BE CONSIDERED TO BE ACCURATE IF THEY WERE CORRECT AS OF THE DATE YOU SUBMITTED YOUR ORIGINAL FORM. CORRECTIONS TO THOSE AMOUNTS MAY NOT BE MADE TO REFLECT CHANGES IN NET VALUE THAT HAVE OCCURRED SINCE THE DATE YOU ORIGINALLY SUBMITTED THE FORM.

256
--OUR RECORDS INDICATE THAT THE CORRECTIONS YOU MADE INCLUDE A SIGNIFICANT DECREASE IN THE AMOUNT YOU REPORTED FOR APPLICANT'S RESOURCES (BOX 40).
IS THE AMOUNT CURRENTLY REPORTED IN BOX 40 CORRECT AS OF THE DATE OF YOUR ORIGINAL APPLICATION? CIRCLE ONE: YES NO

IF YOU CIRCLED YES, SIGN AND RETURN THE LAST COPY OF THIS REPORT.
IF YOU CIRCLED NO, PROVIDE THE AMOUNT AS OF THE DATE OF YOUR ORIGINAL APPLICATION. . . . . $_____ (R)

257
--OUR RECORDS INDICATE THAT YOUR PREVIOUS APPLICATION SHOWED THAT YOU WERE XXXXXXXXXXXXXX YOUR PARENTS AND XXXXXXXX FINANCIAL INFORMATION WAS REPORTED. HOWEVER, YOUR CURRENT APPLICATION SHOWS THAT YOU WERE XXXXXXXXXXXXX YOUR PARENTS. PLEASE REVIEW YOUR ANSWERS TO THE QUESTIONS IN BOXES 13, 14, AND 15 CAREFULLY TO MAKE SURE THEY ARE CORRECT. IF THEY ARE NOT CORRECT, THIS REPORT IS NOT VALID FOR PAYMENT OF A BASIC GRANT (BEOG) AWARD.

263
--ALTHOUGH THIS REPORT IS A DUPLICATE OF A REPORT SUBMITTED PRIOR TO BEING SELECTED FOR VERIFICATION, YOU STILL MUST SUBMIT THIS REPORT IMMEDIATELY TO YOUR FINANCIAL AID OFFICE FOR REVIEW.

264
--YOUR PREVIOUS APPLICATION BASED ON 1978 INFORMATION WAS SELECTED FOR VERIFICATION. ALTHOUGH THIS REPORT IS BASED ON 1979 INFORMATION, IT IS ALSO SUBJECT TO REVIEW AND MUST BE SUBMITTED IMMEDIATELY TO YOUR FINANCIAL AID OFFICE.

265
--THIS REPORT WAS PRODUCED BECAUSE THE BASIC GRANTS (BEOG) VALIDATION UNIT HAS DETERMINED THAT PROCESSING OF YOUR INFORMATION MAY CONTINUE. PLEASE FOLLOW THE INSTRUCTIONS BELOW.

266
--THIS REPORT IS THE RESULT OF A SIGNIFICANT CHANGE IN OUR RECORDS CONCERNING THE NUMBER OF YEARS YOU HAVE RECEIVED BASIC GRANT (BEOG) ASSISTANCE. PLEASE FOLLOW THE INSTRUCTIONS BELOW.

267
--YOU HAVE MADE CORRECTIONS TO A VOID STUDENT ELIGIBILITY REPORT (SER). PLEASE FOLLOW THE INSTRUCTIONS BELOW.

268
--GIVE THE FOLLOW ING INFORMATION ABOUT 1978 INCOME:
NUMBER OF EXEMPTIONS CLAIMED ON 1978 U.S. INCOME TAX RETURN(S). . . . . #____
APPLICANT AND SPOUSE'S 1978 ADJUSTED GROSS INCOME . . . . . $_____
INCOME EARNED BY APPLICANT. . . . $_____
INCOME EARNED BY SPOUSE . . . . . $_____
APPLICANT AND SPOUSE'S 1978 U.S. INCOME TAX PAID (LINE 47 OF IRS FORM 1040, OR LINE 13 OF 1040A). . $_____
APPLICANT AND SPOUSE'S 1978 U.S. ITEMIZED DEDUCTIONS. . . . . $_____

269
--GIVE THE FOLLOWING INFORMATION ABOUT 1978 INCOME:
NUMBER OF EXEMPTIONS CLAIMED ON 1978 U.S. INCOME TAX RETURN . . . . . #____
APPLICANT'S 1978 ADJUSTED GROSS INCOME . . . . . $_____
INCOME EARNED BY APPLICANT. . . . $_____
APPLICANT'S 1978 U.S. INCOME TAX PAID (LINE 47 OF IRS FORM 1040, OR LINE 13 OF 1040A). . . . . $_____
APPLICANT'S 1978 U.S. ITEMIZED DEDUCTIONS . . . . . $_____



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273
--GIVE THE FOLLOWING INFORMATION ABOUT 1978 INCOME:
IS THE PARENT CIRCLE ONE:
FATHER MOTHER

1978 TOTAL NONTAXABLE INCOME OF THAT PARENT. . . . . $_____
NUMBER OF EXEMPTIONS CLAIMED ON 1978 U.S. INCOME TAX RETURN . . . . . #___
1978 ADJUSTED GROSS INCOME OF THAT PARENT . . . . . $_____
INCOME EARNED BY THAT PARENT. . . $_____
1978 U.S. INCOME TAX PAID BY THAT PARENT (LINE 47 OF IRS FORM 1040, OR LINE 13 OF 1040A) . . . . . $_____
1978 U.S. ITEMIZED DEDUCTIONS OF THAT PARENT. . . . . $_____

274
--GIVE THE FOLLOWING INFORMATION ABOUT 1979 INCOME:
IS THE PARENT CIRCLE ONE:
FATHER MOTHER

ESTIMATED 1979 TOTAL NONTAXABLE INCOME OF THAT PARENT. . . . . $_____
NUMBER OF EXEMPTIONS TO BE CLAIMED ON 1979 U.S. INCOME TAX RETURN . . #___
ESTIMATED 1979 ADJUSTED GROSS INCOME OF THAT PARENT . . . . . $_____
ESTIMATED INCOME EARNED BY THAT PARENT . . . . . $_____
ESTIMATED 1979 U.S. ITEMIZED DEDUCTIONS OF THAT PARENT. . . . . $_____

275
--GIVE THE FOLLOWING INFORMATION ABOUT 1978 INCOME:
APPLICANT AND SPOUSE'S 1978 TOTAL NONTAXABLE INCOME. . . . . $_____
NUMBER OF EXEMPTIONS CLAIMED ON 1978 U.S. INCOME TAX RETURN(S). . . . . $_____
APPLICANT AND SPOUSE'S 1978 ADJUSTED GROSS INCOME . . . . . $_____
INCOME EARNED BY APPLICANT. . . . $_____
INCOME EARNED BY SPOUSE . . . . . $_____
APPLICANT AND SPOUSE'S 1978 U.S. INCOME TAX PAID (LINE 47 OF IRS FORM 1040, OR LINE 13 OF 1040A). . $_____
APPLICANT AND SPOUSE'S 1978 U.S. ITEMIZED DEDUCTIONS. . . . . $_____

280
--GIVE THE FOLLOWING INFORMATION ABOUT 1978 INCOME:
IS THE PARENT CIRCLE ONE: FATHER MOTHER

1978 TOTAL NONTAXABLE INCOME OF THAT PARENT . . . . . $_____
NUMBER OF EXEMPTIONS CLAIMED ON 1978 U.S. INCOME TAX RETURN . . . . . #___
1978 ADJUSTED GROSS INCOME OF THAT PARENT . . . . . $_____
INCOME EARNED BY THAT PARENT. . . $_____
1978 U.S. INCOME TAX PAID BY THAT PARENT (LINE 47 OF IRS FORM 1040, OR LINE 13 OF 1040A) . . . . . $_____
1978 U.S. ITEMIZED DEDUCTIONS OF THAT PARENT. . . . . $_____

281
--GIVE THE FOLLOWING INFORMATION ABOUT 1978 INCOME:
APPLICANT AND SPOUSE'S 1978 TOTAL NONTAXABLE INCOME. . . . . $_____
NUMBER OF EXEMPTIONS CLAIMED ON 1978 U.S. INCOME TAX RETURN(S). . . . . #___
APPLICANT AND SPOUSE'S 1978 ADJUSTED GROSS INCOME . . . . . $_____
INCOME EARNED BY APPLICANT. . . . $_____
INCOME EARNED BY SPOUSE . . . . . $_____
APPLICANT AND SPOUSE'S 1978 U.S. INCOME TAX PAID (LINE 47 OF IRS FORM 1040, OR LINE 13 OF 1040A). . $_____
APPLICANT AND SPOUSE'S 1978 U.S. ITEMIZED DEDUCTIONS. . . . . $_____

282
--GIVE THE FOLLOWING INFORMATION ABOUT 1978 INCOME:
APPLICANT'S 1978 TOTAL NONTAXABLE INCOME . . . . . $_____
NUMBER OF EXEMPTIONS CLAIMED ON 1978 U.S. INCOME TAX RETURN . . . . . #___
APPLICANT'S 1978 ADJUSTED GROSS INCOME . . . . . $_____
INCOME EARNED BY APPLICANT. . . . $_____
APPLICANT'S 1978 U.S. INCOME TAX PAID (LINE 47 OF IRS FORM 1040, OR LINE 13 OF 1040A). . . . . $_____
APPLICANT'S 1978 U.S. ITEMIZED DEDUCTIONS . . . . . $_____

287
--REVIEW THE AMOUNT IN TOTAL NONTAXABLE INCOME (BOX 20). INFORMATION FROM THE SOCIAL SECURITY ADMINISTRATION INDICATES THAT THIS AMOUNT MAY BE INCORRECT.

TOTAL NONTAXABLE INCOME (BOX 20) MUST INCLUDE: A) ANY SOCIAL SECURITY BENEFITS RECEIVED IN 1978 BY YOU AND YOUR SPOUSE, AND B) OTHER NONTAXABLE INCOME RECEIVED IN 1978 BY YOU AND YOUR SPOUSE SUCH AS WELFARE BENEFITS, CHILD SUPPORT, VETERAN'S BENEFITS (EXCEPT EDUCATIONAL BENEFITS), UNEMPLOYMENT COMPENSATION, ETC. (DO NOT INCLUDE AMOUNTS RECEIVED FROM STUDENT AID PROGRAMS.)

IS THE AMOUNT IN BOX 20 CORRECT? CIRCLE ONE: YES NO

IF YOU CIRCLED YES, SIGN AND RETURN THE LAST COPY OF THIS REPORT.

IF YOU CIRCLED NO, PROVIDE THE FOLLOWING:

1978 TOTAL NONTAXABLE INCOME. . . . $_____ (S)

288
--REVIEW THE AMOUNT IN TOTAL NONTAXABLE INCOME (BOX 20). INFORMATION FROM THE SOCIAL SECURITY ADMINISTRATION INDICATES THAT THIS AMOUNT MAY BE INCORRECT.

TOTAL NONTAXABLE INCOME (BOX 20) MUST INCLUDE: A) ANY SOCIAL SECURITY BENEFITS YOU RECEIVED IN 1978, AND B) OTHER NONTAXABLE INCOME YOU RECEIVED IN 1978 SUCH AS WELFARE BENEFITS, CHILD SUPPORT, VETERAN'S BENEFITS (EXCEPT EDUCATIONAL BENEFITS), UNEMPLOYMENT COMPENSATION, ETC. (DO NOT INCLUDE AMOUNTS RECEIVED FROM STUDENT AID PROGRAMS.)

IS THE AMOUNT IN BOX 20 CORRECT? CIRCLE ONE: YES NO

IF YOU CIRCLED YES, SIGN AND RETURN THE LAST COPY OF THIS REPORT.

IF YOU CIRCLED NO, PROVIDE THE FOLLOWING:

1978 TOTAL NONTAXABLE INCOME. . . . $_____ (S)



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291
--THIS REPORT IS A RESULT OF A STUDENT ELIGIBILITY REPORT (SER) YOU RECENTLY SUBMITTED.
PLEASE READ THE INSTRUCTIONS BELOW AND IF YOU HAVE DIFFICULTY IN COMPLETING THIS REPORT, PLEASE CALL THIS TOLL FREE NUMBER FOR ASSISTANCE (800) 999-9999. WE RECOMMEND YOU CALL EARLY IN THE MORNING OR LATE IN THE AFTERNOON SINCE OUR TELEPHONE LINES ARE NOT AS BUSY THEN. OUR OFFICE HOURS ARE 7:30 A.M. TO 6:30 P.M. CENTRAL STANDARD TIME. ALSO, YOU MAY CONTACT YOUR FINANCIAL AID OFFICE FOR ASSISTANCE.

292
--THIS REPORT IS A RESULT OF A STUDENT ELIGIBILITY REPORT (SER) OR APPLICATION YOU RECENTLY SUBMITTED.
PLEASE READ THE INSTRUCTIONS BELOW AND IF YOU HAVE DIFFICULTY IN COMPLETING THIS REPORT, PLEASE CALL THIS TOLL FREE NUMBER FOR ASSISTANCE (800) 999-9999. WE RECOMMEND YOU CALL EARLY IN THE MORNING OR LATE IN THE AFTERNOON SINCE OUR TELEPHONE LINES ARE NOT AS BUSY THEN. OUR OFFICE HOURS ARE 7:30 A.M. TO 6:30 P.M. CENTRAL STANDARD TIME. ALSO, YOU MAY CONTACT YOUR FINANCIAL AID OFFICE FOR ASSISTANCE.

293
--GIVE THE FOLLOWING INFORMATION:

294
--YOUR PREVIOUS APPLICATION USING 1978 INFORMATION WAS SELECTED FOR VERIFICATION. ALTHOUGH THIS REPORT IS A RESULT OF A CORRECTION MADE TO YOUR ESTIMATED 1979 INFORMATION, IT IS ALSO SUBJECT TO REVIEW AND MUST BE SUBMITTED IMMEDIATELY TO YOUR FINANCIAL AID OFFICE.

295
IN ADDITION TO THE ABOVE, YOU MUST VERIFY YOUR 1979-80 VETERAN'S EDUCATIONAL BENEFITS BY PROVIDING A COPY OF THE AWARD LETTER YOU WILL BE RECEIVING FROM THE VETERANS ADMINISTRATION.

296
IN ADDITION TO THE ABOVE, YOU MUST PROVIDE DOCUMENTS TO VERIFY YOUR AND/OR YOUR FAMILY'S SOCIAL SECURITY BENEFITS

299
--REVIEW THE AMOUNTS IN BOXES 23, 24, 25, AND 26 IN SECTION 1 ABOVE BECAUSE THEY APPEAR TO BE INCONSISTENT.
ARE THESE AMOUNTS CORRECT? CIRCLE ONE: YES NO

IF YOU CIRCLED YES, SIGN AND RETURN THE LAST COPY OF THIS REPORT.
IF YOU CIRCLED NO, PROVIDE THE FOLLOWING:
IS THE PARENT CIRCLE ONE: FATHER MOTHER

NUMBER OF EXEMPTIONS CLAIMED ON 1978 U.S. INCOME TAX RETURN . . . . . #____
1978 ADJUSTED GROSS INCOME OF THAT PARENT . . . . . $_____
INCOME EARNED BY THAT PARENT. . . $_____
1978 U.S. INCOME TAX PAID BY THAT PARENT (LINE 47 OF IRS FORM 1040, OR LINE 13 OF 1040A) . . . . . $_____
1978 U.S. ITEMIZED DEDUCTIONS OF THAT PARENT. . . . . $_____ (B)

300
--REVIEW BOXES 23, 24, AND 25 BECAUSE YOU REPORTED LITTLE OR NO FAMILY INCOME FOR 1978.
IS THIS INCOME INFORMATION CORRECT? CIRCLE ONE: YES NO

IF YOU CIRCLED YES, SIGN AND RETURN THE LAST COPY OF THIS REPORT.
IF YOU CIRCLED NO, PROVIDE THE FOLLOWING:
NUMBER OF EXEMPTIONS CLAIMED ON 1978 U.S. INCOME TAX RETURN(S). . . . . #____
PARENTS' 1978 ADJUSTED GROSS INCOME $____
INCOME EARNED BY FATHER. . . . . $_____
INCOME EARNED BY MOTHER. . . . . $_____
PARENTS' 1978 U.S. INCOME TAX PAID (LINE 47 OF IRS FORM 1040, OR LINE 13 OF 1040A) . . . . . $_____
PARENTS' 1978 U.S. ITEMIZED DEDUCTIONS . . . . . $_____ (F)


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303
--REVIEW BOXES 23, 24, AND 25 BECAUSE
YOU REPORTED LITTLE OR NO FAMILY
INCOME FOR 1978.
IS THIS INCOME INFORMATION CORRECT? CIRCLE ONE:
YES NO

IF YOU CIRCLED YES, SIGN AND RETURN
THE LAST COPY OF THIS REPORT.
IF YOU CIRCLED NO, PROVIDE THE FOLLOWING:
IS THE PARENT CIRCLE ONE:
FATHER MOTHER

NUMBER OF EXEMPTIONS CLAIMED ON 1978
U.S. INCOME TAX RETURN . . . . . #___
1978 ADJUSTED GROSS INCOME OF THAT
PARENT . . . . . $_____
INCOME EARNED BY THAT PARENT. . . $_____
1978 U.S. INCOME TAX PAID BY THAT
PARENT (LINE 47 OF IRS FORM 1040,
OR LINE 13 OF 1040A) . . . . . $_____
1978 U.S. ITEMIZED DEDUCTIONS OF
THAT PARENT. . . . . $_____ (F)

304
--THIS REPORT IS A RESULT OF A STUDENT ELIGIBILITY
REPORT (SER) YOU RECENTLY SUBMITTED.
PLEASE READ THE INSTRUCTIONS BELOW AND IF YOU HAVE
DIFFICULTY IN COMPLETING THIS REPORT, PLEASE
CONTACT YOUR FINANCIAL AID OFFICE FOR ASSISTANCE.

305
--THIS REPORT IS A RESULT OF A STUDENT ELIGIBILITY
REPORT (SER) OR APPLICATION YOU RECENTLY
SUBMITTED.
PLEASE READ THE INSTRUCTIONS BELOW AND IF YOU HAVE
DIFFICULTY IN COMPLETING THIS REPORT, PLEASE
CONTACT YOUR FINANCIAL AID OFFICE FOR ASSISTANCE.

306
--GIVE THE FOLLOWING INFORMATION ABOUT 1978 INCOME:
NUMBER OF EXEMPTIONS CLAIMED ON 1978
U.S. INCOME TAX RETURN . . . . . # ___
APPLICANT'S 1978 ADJUSTED GROSS
INCOME . . . . . $_____
INCOME EARNED BY APPLICANT. . . . $_____
APPLICANT'S 1978 U.S. INCOME TAX
PAID (LINE 47 OF IRS FORM 1040, OR
LINE 13 OF 1040A). . . . . $_____
APPLICANT'S 1978 U.S. ITEMIZED
DEDUCTIONS . . . . . $_____


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310
--GIVE THE FOLLOWING INFORMATION ABOUT 1978 INCOME:
NUMBER OF EXEMPTIONS CLAIMED ON 1978
U.S. INCOME TAX RETURN . . . . . #____
APPLICANT'S 1978 ADJUSTED GROSS
INCOME . . . . . $_____
INCOME EARNED BY APPLICANT. . . . $_____
APPLICANT'S 1978 U.S. INCOME TAX
PAID (LINE 47 OF IRS FORM 1040, OR
LINE 13 OF 1040A). . . . . $_____
APPLICANT'S 1978 U.S. ITEMIZED
DEDUCTIONS . . . . . $_____

311
--GIVE THE FOLLOWING INFORMATION ABOUT 1978 INCOME:
NUMBER OF EXEMPTIONS CLAIMED ON 1978
U.S. INCOME TAX RETURN(S). . . . . #____
APPLICANT AND SPOUSE'S 1978 ADJUSTED
GROSS INCOME . . . . . $_____
INCOME EARNED BY APPLICANT. . . . $_____
INCOME EARNED BY SPOUSE . . . . . $_____
APPLICANT AND SPOUSE'S 1978 U.S.
INCOME TAX PAID (LINE 47 OF IRS
FORM 1040, OR LINE 13 OF 1040A). . $_____
APPLICANT AND SPOUSE'S 1978 U.S.
ITEMIZED DEDUCTIONS. . . . . $_____

312
--GIVE THE FOLLOWING INFORMATION ABOUT 1978 INCOME:
IS THE PARENT CIRCLE ONE:
FATHER MOTHER
NUMBER OF EXEMPTIONS CLAIMED ON 1978
U.S. INCOME TAX RETURN . . . . . #____
1978 ADJUSTED GROSS INCOME OF THAT
PARENT . . . . . $_____
INCOME EARNED BY THAT PARENT. . . $_____
1978 U.S. INCOME TAX PAID BY THAT
PARENT (LINE 47 OF IRS FORM 1040, OR
LINE 13 OF 1040A). . . . . $_____
1978 U.S. ITEMIZED DEDUCTIONS OF THAT
PARENT . . . . . $_____


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316
--GIVE THE FOLLOWING INFORMATION ABOUT 1978 INCOME:
IS THE PARENT CIRCLE ONE:
FATHER MOTHER

NUMBER OF EXEMPTIONS CLAIMED ON 1978 U.S. INCOME TAX RETURN . . . . . #____

1978 ADJUSTED GROSS INCOME OF THAT PARENT . . . . . $_____

INCOME EARNED BY THAT PARENT. . . $_____

1978 U.S. INCOME TAX PAID BY THAT PARENT (LINE 47 OF IRS FORM 1040, OR LINE 13 OF 1040A) . . . . . $_____

1978 U.S. ITEMIZED DEDUCTIONS OF THAT PARENT. . . . . $_____

317
--THE APPLICATION OR CORRECTION TO THE STUDENT ELIGIBILITY REPORT (SER) THAT YOU SUBMITTED CANNOT BE ACCEPTED BECAUSE YOU FILED AS A DEPENDENT STUDENT AND YOU INDICATED BOTH OF YOUR PARENTS ARE DECEASED. THIS REPORT IS VOID. KEEP IT FOR YOUR RECORDS.

IF YOUR PARENTS ARE BOTH DECEASED AND THE DEATH(S) OCCURRED BEFORE THE FILING OF AN ORIGINAL APPLICATION, COMPLETE THE ENCLOSED BASIC GRANT (BEOG) APPLICATION AND RETURN IT IMMEDIATELY. COMPLETE SECTIONS A, B, AND C BEING SURE TO ANSWER NO TO EVERY QUESTION FOR EVERY YEAR IN SECTION C. THEN COMPLETE SECTIONS E AND F AND SIGN THE APPLICATION.

IF YOUR PARENTS ARE BOTH DECEASED AND THE DEATH(S) OCCURRED SINCE THE FILING OF AN ORIGINAL APPLICATION, YOU SHOULD DISREGARD THE ENCLOSED BASIC GRANT APPLICATION AND XXXXXXXXXXXX XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

IF YOUR PARENTS ARE NOT BOTH DECEASED, READ THE INSTRUCTIONS, THEN COMPLETE THE ENCLOSED BASIC GRANT APPLICATION AND RETURN IT IMMEDIATELY. EVERY QUESTION IN SECTIONS A, B, AND C MUST BE ANSWERED. PAY SPECIAL ATTENTION TO COMPLETING SECTION C AND ANSWER EVERY QUESTION FOR EVERY YEAR. BASED ON YOUR ANSWERS IN SECTION C, COMPLETE EITHER SECTION D OR E, THEN COMPLETE SECTION F. THE APPLICATION MUST BE SIGNED BY THE APPLICANT AND ALL PERSONS WHOSE FINANCIAL INFORMATION IS PROVIDED.


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| Comment Numbers | Float-Ins |
|---|---|
| 061 | 1. A. If supplemental model is D or I, float in "D" for P.O. box and skip rest of float-ins for comment 061.<br>B. If comments 229 or 232 is on, float in "L" for P.O. box and skip rest of float-ins for comment 061.<br>C. If comments 138, 139, 283, 284, 287, 288, 289, or 290 is on, float in "N" for P.O. box and skip rest of float-ins for comment 061.<br>D. If comments 001, 002, 003, 039, 048, 070, 112, 113, 114, 129, 140, 165, 167, 177, 183, 203, 207, 233, 249, or 250 is on, float in "W" for P.O. box and skip rest of float-ins for comment 061.<br>E. If comments 120-125, 137, 179, 180, 181, 182, 256, or 293 is on, float in "Y" for P.O. box and skip rest of float-ins for comment 061.<br>F. Float in "Z" for P.O. box. |
| 067 | Float in the process date of the Student Eligibility Report on which an address correction has been made. |
| 105 | Float in "separated", "divorced", "single", "widowed", or "unmarried" as is indicated or assumed for applicant's marital status. |
| 106 | 1. Float in "separated", "divorced", "single", or "widowed" as is indicated or assumed for parents' marital status.<br>2. A. If mailing state code is IA, float in "call (800) 272-6490 for assistance.".<br>B. If mailing state code is not blank, AK, AS, CZ, GU, HI, IA, TT, VI, or PR, float in "call (800) 852-6350 for assistance.".<br>C. If mailing state code is blank, AK, AS, CZ, GU, HI, TT, VI, or PR, float in "contact your financial aid office for assistance.". |
| 111 | Float in the process date of the latest official transaction. |
| 126 | 1. A. If supplemental model is D or I, float in "D" for P.O. box and skip rest of float-ins for comment 126.<br>B. If comments 229 or 232 is on, float in "L" for P.O. box and skip rest of float-ins for comment 126.<br>C. If comments 138, 139, 283, 284, 287, 288, 289, or 290 is on, float in "N" for P.O. box and skip rest of float-ins for comment 126. |



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| Comment Numbers | Float-Ins |
|---|---|
| 257 | 1. A. If previous transaction's application model is D or X, float in "dependent on".<br>B. If previous transaction's application model is I or Y, float in "independent of".<br>2. A. If previous transaction's application model is D or X, float in "parental".<br>B. If previous transaction's application model is I or Y, float in "your own".<br>3. A. If current transaction's application model is D, float in "dependent on".<br>B. If current transaction's application model is I, float in "independent of". |
| 270 | 1. A. If mailing state code is IA, float in "call (800) 272-6490 for assistance.".<br>B. If mailing state code is not blank, AK, AS, CZ, GU, HI, IA, TT, VI, or PR, float in "call (800) 553-6350 for assistance.".<br>C. If mailing state code is blank, AK, AS, CZ, GU, HI, TT, VI, or PR, float in "contact your financial aid office for assistance.". |
| 291 | 1. A. If mailing state code is IA, float in "272-6490".<br>B. If mailing state code is not blank, AK, AS, CZ, GU, HI, IA, TT, VI, or PR, float in "553-6350". |
| 292 | 1. A. If mailing state code is IA, float in "272-6490".<br>B. If mailing state code is not blank, AK, AS, CZ, GU, HI, IA, TT, VI, or PR, float in "553-6350". |
| 308 | Float in "separated", "divorced", "single", "widowed", or "unmarried" as is indicated or assumed for applicant's marital status. |
| 313 | Float in "separated", "divorced", "single", "widowed", or "unmarried" as is indicated or assumed for applicant's marital status. |
| 317 | 1. A. If mailing state code is IA, float in "call (800) 272-6490 for assistance.".<br>B. If mailing state code is not blank, AK, AS, CZ, GU, HI, IA, TT, VI, or PR, float in "call (800) 553-6350 for assistance.".<br>C. If mailing state code is blank, AK, AS, CZ, GU, HI, TT, VI, or PR, float in "contact your financial aid office for assistance.". |



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# APPENDIX B

## REJECT REASON CODES

APPENDIX B

Reason Codes

| Code | Condition | Comment Number | Corresponding Criteria |
|---|---|---|---|
| A | Reported tax greater than 50% AGI | 259 | |
| B | Combination verify | 10,12,13,128,247, 297,298,299 | |
| C | Household size greater than 19 | 18 | |
| D | Portions greater than 120% or 170% AGI | 27,41,42,234 | A-2 |
| E | Unusual expenses greater than income or greater than 5000 | 30,202 | A-3 |
| F | Zero, negative, or less than $51 income | 58,98,99,238, 300,301,302,303 | A-4 |
| G | Reported tax greater than computed tax by $300 and 50% of computed tax | 47 | A-6 |
| H | Debts greater than assets - Home | 179 | |
| I | Debts greater than assets - Investments | 180 | |
| J | Debts greater than assets - Business | 181 | |
| K | Debts greater than assets - Farm | 182 | |
| L | Unreimbursed tuition greater than 35% of income | 212 | A-5 |
| R | Applicant's resources decreased by $300 | 256 | A-9 |
| S | SSA Match - blank or zeros | 138,287,288 | A-10,A-11 |
| T | SSA Match - Social Security Benefits reported | 139,289,290 | A-10,A-11 |
| U | VA Match - Blanks or zeros | 283 | A-12,A-13 |

| Code | Condition | Comment Number | Corresponding Criteria |
|---|---|---|---|
| V | VA reported and less than 131 | 284 | A-14,A-15 |
| 7 | Marital status, household size blank | 70,140 | A-1 |
| 8 | Total nontaxable, AGI and portions all blank | 28,43,44,236,307, 309,310,311 | |
| 9 | Divorced, widowed, or unmarried comments | 24,33,35,106,148 270,308,313 | |
| 16 | AGI blank and portion reported | 268,271,273,275, 277,306,315,316 | A-8 |
| 17 | Tax paid blank and AGI greater than zero | 251,269,279,280, 281,282,312,314 | A-7 |

# APPENDIX C

## CAVEATS CONCERNING THE INTERPRETATION OF THE DATA

APPENDIX C

Caveats Concerning the Interpretation of the Data

1) Applicants who received edit comments and who make changes to the fields to which the comments apply may be submitting these corrections for reasons other than those solicited by the edit comments they received. To the extent that corrections which appear to be made in response to the edit comments are made for other reasons, the attribution of eligibility index changes to the edits may be overestimated.

2) Applicants who are rejected do not have an eligibility index. In order to assess the impact of the edits, it was necessary to compute an eligibility index for applicants on the transaction of rejection and compare the difference between that index and the index received after they responded to the rejection comment.

   The computation of the index is confounded by the fact that one of the reasons for rejection is missing data. Ideally, the way to obtain reliable estimates for missing data is to conduct a nonrespondent survey. In this case, it would entail selecting a representative sample of rejected applicants with missing data, and contacting them to find out true values. Unfortunately, this study is confined solely to statistical analysis of existing data, and it is not within the scope of this contract to conduct such a survey. Two alternative methodologies that are limited to using existing data were considered for this computation. One was to substitute average values from applicants who had been rejected, but provided data, for those who had missing data. The second was to assume values based on other data reported, where possible, and where not possible, to assume the missing value to be zero.

   Neither of these alternative procedures is ideal because each introduces errors. However, given the study goals, a procedure was selected that was judged to have the least serious limitations.

   The limitations of the method of substituting average values are:

   a) The fact that the applicants (whose average values could be used for substitution) provided data made them different from those who omitted data. Therefore, from a statistical design perspective, these applicants are not equivalent and such a substitution would introduce biases of an unknown magnitude and direction.

   b) From an operational perspective, the number of categories of applicants who would have to be defined would be extremely large, greatly increasing the time necessary to process the computations.

The limitation of the zero/logically derived substitution approach is that it introduces a bias of an unknown magnitude, but a known direction. That is, we know that we may be using a zero instead of a value. Therefore, this procedure introduces a bias which probably understates actual values to some unknown degree.

The approach that was selected was the zero/logically derived substitution approach because the unknown component of the error is limited to magnitude and not direction. The specific assumptions used for each field follow.

## ASSUMPTIONS FOR COMPUTING ELIGIBILITY INDEX WHEN APPLICANT IS REJECTED

Dependency Status

If model is missing:

if side d-or-e is = "D" then applicant is dependent

if side d-or-e is = "E" then applicant is independent

If side d-or-e is missing:

if model-ques is all "no" then applicant is independent; otherwise applicant is dependent.

Agi and Portions

(a) if agi is blank and 2 portions present, compute agi by adding the 2 portions;

(b) if agi is blank and 1 portion present, compute agi by using the 1 portion;

(c) if agi is blank and no portions present, assume agi and both portions to be zero;

(d) if agi is present and both portions blank, assume 1 portion.

Non-Taxable Income (nt-total)

(a) if nt-total is blank and nt (social security benefits) is blank and nt (other) is blank, assume nt-total to be zero.

(b) if nt-total is blank and one nt portion is present, assume nt-total to be equal to the present nt portion.

(c) if nt total is blank and both nt portions present, assume nt total to be sum of two portions.

Unusual Expenses (ue)

(a) if medical and dental expenses is present and casualty theft loss is present add both fields to give ue.

(b) if either field is missing, use the field present as ue.

(c) if both fields are missing, assume ue to be zero.

Unreimbursed Tuition

If missing, assume zero.

Assets/Cash and Savings

If any field is missing, assume zero for that field.

Taxes Paid

If taxes paid is missing, use compute formula with assumed values for related fields (agi, hh-size, etc.) if necessary.

Marital Status/Household Size

(a) Marital Status and Household Size Missing:

(a-1) Dependents: marital status - married
household size - 3

(a-2) Independents: marital status - single
household size - 1

(b) Marital Status Missing/Household size present:

(b-1) Dependent, hh-size greater than 2:
assume married

(b-2) Dependent, all other hh-size:
assume divorced

(b-3) Independent, hh-size =1:
assume single

(b-4) Independent, all other hh-size:
assume married.

Household Size (hh-size) (Only if hh-size has not been assumed along with marital status).

(a) If hh-size is missing and exemptions is present, use exemptions.

(b) If exemptions is missing:

If applicant is dependent and parent's' marital stattus is married, assume 3.

If applicant is dependent and parent's' marital status is divorced, single, widowed or separated, assume 2.

If applicant is dependent and parents are deceased, assume 1.

If independent and married, assume 2.

If independent and single/widowed/divorced/separated, assume 1.

Veteran's Benefits

(a) If amount and months are missing, assume zero.

(b) If amount is present but months are missing, assume months to be 9.

(c) If amount is missing and months is present:

if hh-size is zero, assume 249
if hh-size is one, assume 296
if hh-size is two, assume 338
if hh-size is 3 or more, vet-ben = 338+
(26 times number in hh greater than 2).

# APPENDIX D

## PRE-ESTABLISHED CRITERIA

APPENDIX D

Pre-established Criteria

PEC A: Applicants who establish eligibility after rejection of a transaction through correction where the rejection reason meets one or more of the following categories:

A-1: Missing information for household size and marital status
A-2: Portions and AGI inconsistent
A-3: Unusual expenses inconsistent with income or greater than $5,000
A-4: Income negative, zero or less than $51
A-5: Unreimbursed tuition greater than 35% of income
A-6: Income and taxes paid inconsistent
A-7: Financial data missing
A-8: Financial data missing
A-9: Applicant's resources reduced
A-10: No S.S. match and applicant verifies
A-11: No S.S. match and applicant changes
A-12: V.A. blank or zero and applicant verifies
A-13: V.A. blank or zero and applicant changes
A-14: V.A. greater than zero and less than $131 and applicant verifies
A-15: V.A. greater than zero and less than $131 and applicant changes
A-16: Combination of an A criterion with B1
A-17: Combination of an A criterion with B2
A-18: Combination of an A criterion with C1
A-19: Combination of an A criterion with C2
A-20: Combination of an A criterion with D1
A-21: Combination of an A criterion with D2

PEC B: Applicants who establish eligibility with one correction resulting in a large eligibility index change.

B-1: Large EI change
B-2: Larger EI change
B-3: Combination of a B criterion with C1
B-4: Combination of a B criterion with C2
B-5: Combination of a B criterion with D1
B-6: Combination of a B criterion with D2

PEC C: Applicants who reduce their highest EI in one continuous official string of transactions.

C-1: Large EI change
C-2: Larger EI change
C-3: Combination of a C criterion with D1
C-4: Combination of a C criterion with D2

PEC D: Number in postsecondary education (PHE) and tax filing status.

D-1: PHE greater than 3
D-2: Tax return figures are estimated
D-3: Combination of D1 and D2

# APPENDIX E

## PROFILE OF APPLICANTS BY MDE SOURCE

DEMOGRAPHIC CHARACTERISTICS AND REJECTION RATES OF APPLICANTS
BY MDE SOURCE

| Applicant Characteristics | BEOG | | | | ACT | | | | CSS | | | | PHEAA | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total Applicants | % of Total | % Always Rejected | % Never Rejected | Total Applicants | % of Total | % Always Rejected | % Never Rejected | Total Applicants | % of Total | % Always Rejected | % Never Rejected | Total Applicants | % of Total | % Always Rejected | % Never Rejected |
| Dependent | 547,400 | 48.7 | 8 | 62 | 457,190 | 70.0 | 4 | 66 | 1,462,330 | 73.2 | 5 | 64 | 98,430 | 76.9 | 4 | 72 |
| Independent | 577,730 | 51.3 | 9 | 63 | 195,890 | 30.0 | 8 | 66 | 535,030 | 26.8 | 10 | 61 | 29,520 | 23.1 | 7 | 71 |
| Unknown | 0 | 0 | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 | 0 | | 0 | 0 |
| AGI 0 | 1,750 | .2 | 22 | 5 | 3,540 | .5 | 5 | 5 | 4,880 | .2 | 11 | 7 | 250 | .2 | 28 | 8 |
| 0 | 321,500 | 28.6 | 10 | 58 | 68,720 | 10.5 | 10 | 54 | 242,980 | 12.2 | 13 | 51 | 20,210 | 15.8 | 9 | 65 |
| 1-999 | 39,220 | 3.5 | 6 | 59 | 18,030 | 2.8 | 6 | 64 | 58,540 | 2.9 | 4 | 57 | 2,180 | 1.7 | 3 | 66 |
| 1,000-1,999 | 50,410 | 4.5 | 2 | 67 | 24,790 | 3.8 | 4 | 70 | 69,470 | 3.5 | 4 | 63 | 3,140 | 2.5 | 2 | 74 |
| 2,000-3,999 | 107,610 | 9.6 | 4 | 66 | 54,610 | 8.4 | 5 | 68 | 137,070 | 6.9 | 4 | 63 | 6,110 | 4.8 | 2 | 66 |
| 4,000-6,999 | 159,770 | 14.2 | 4 | 66 | 78,410 | 12.0 | 5 | 64 | 189,770 | 9.5 | 5 | 59 | 10,300 | 8.1 | 4 | 64 |
| 7,000-9,999 | 120,230 | 10.7 | 6 | 65 | 70,600 | 10.8 | 5 | 62 | 179,550 | 9.0 | 5 | 58 | 10,410 | 8.1 | 4 | 63 |
| 10,000-12,499 | 72,610 | 6.5 | 5 | 65 | 49,980 | 7.6 | 5 | 63 | 136,800 | 6.8 | 4 | 60 | 8,520 | 6.7 | 3 | 66 |
| 12,500-14,499 | 51,660 | 4.6 | 5 | 66 | 44,770 | 6.9 | 4 | 67 | 125,680 | 6.3 | 3 | 63 | 8,330 | 6.5 | 1 | 72 |
| 15,000-17,499 | 41,590 | 3.7 | 4 | 70 | 42,150 | 6.5 | 3 | 68 | 125,020 | 6.3 | 2 | 67 | 9,480 | 7.4 | 1 | 75 |
| 17,500-19,999 | 32,240 | 2.9 | 3 | 71 | 40,860 | 6.6 | 3 | 73 | 126,010 | 6.3 | 2 | 70 | 10,580 | 8.3 | 1 | 81 |
| 20,000-24,999 | 48,940 | 4.3 | 2 | 73 | 69,260 | 10.6 | 2 | 76 | 229,310 | 11.5 | 2 | 73 | 17,970 | 14.0 | 1 | 83 |
| 25,000+ | 47,640 | 4.2 | 4 | 73 | 81,990 | 12.6 | 5 | 77 | 327,460 | 16.4 | 2 | 76 | 18,480 | 14.4 | 1 | 83 |
| Unknown | 29,960 | 2.7 | 88 | 5 | 5,370 | .8 | 96 | 0 | 44,820 | 2.2 | 98 | 0 | 1,990 | 1.6 | 95 | 0 |
| Taxes Paid 500 | 756,450 | 67.2 | 6 | 63 | 322,160 | 49.3 | 5 | 63 | 857,350 | 42.9 | 5 | 57 | 50,000 | 39.1 | 4 | 67 |
| 500-999 | 101,040 | 8.9 | 8 | 62 | 68,480 | 10.5 | 6 | 63 | 192,630 | 9.6 | 7 | 59 | 11,590 | 9.1 | 6 | 66 |
| 1,000-1,499 | 60,890 | 5.4 | 7 | 66 | 52,260 | 8.0 | 4 | 67 | 155,030 | 7.8 | 5 | 64 | 11,710 | 9.2 | 3 | 71 |
| 1,500+ | 147,670 | 13.2 | 7 | 69 | 201,330 | 30.8 | 4 | 74 | 721,680 | 36.1 | 4 | 72 | 51,290 | 40.1 | 2 | 80 |

| Applicant Characteristics | BEOG | | | | ACT | | | | CSS | | | | PHEAA | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total Applicants | % of Total | % Always Rejected | % Never Rejected | Total Applicants | % of Total | % Always Rejected | % Never Rejected | Total Applicants | % of Total | % Always Rejected | % Never Rejected | Total Applicants | % of Total | % Always Rejected | % Never Rejected |
| Taxes Paid | | | | | | | | | | | | | | | | |
| Unknown | 59,080 | 5.3 | 45 | 38 | 8,850 | 1.4 | 58 | 28 | 70,670 | 3.5 | 47 | 40 | 3,360 | 2.6 | 45 | 33 |
| Household Size | | | | | | | | | | | | | | | | |
| 1-2 | 373,970 | 33.2 | 9 | 61 | 160,660 | 24.6 | 7 | 65 | 481,620 | 24.1 | 10 | 59 | 26,600 | 20.8 | 7 | 66 |
| 3-4 | 401,330 | 35.7 | 7 | 66 | 246,700 | 37.7 | 4 | 67 | 757,630 | 37.9 | 5 | 64 | 55,020 | 43.0 | 3 | 73 |
| 5-6 | 225,710 | 20.1 | 6 | 65 | 171,290 | 26.2 | 4 | 68 | 542,040 | 27.1 | 4 | 66 | 34,330 | 26.8 | 2 | 75 |
| 7+ | 107,100 | 9.5 | 8 | 62 | 71,510 | 10.9 | 4 | 65 | 201,800 | 10.1 | 5 | 64 | 11,110 | 8.7 | 3 | 74 |
| Unknown | 17,030 | 1.5 | 80 | 8 | 2,970 | .4 | 96 | 0 | 14,270 | .7 | 43 | 0 | 890 | .7 | 99 | 0 |
| Number of Dependents | | | | | | | | | | | | | | | | |
| 1 | [illegible] | 6.1 | [illegible] | 63 | 441,900 | 67.6 | 5 | 66 | 1,316,700 | 65.9 | 6 | 62 | 90,270 | 70.6 | 4 | 70 |
| [illegible] | 191,570 | 17.2 | 5 | 65 | 156,490 | 24.0 | 4 | 68 | 498,020 | 24.9 | 4 | 66 | 29,370 | 23.0 | 2 | 77 |
| 3 | 46,760 | 4.2 | 4 | 63 | 41,010 | 6.3 | 3 | 71 | 137,340 | 6.9 | 4 | 66 | 6,400 | 5.0 | 2 | 77 |
| 4 | 10,530 | .9 | 6 | 60 | 7,680 | 1.2 | 5 | 68 | 26,760 | 1.3 | 4 | 64 | 970 | .8 | 6 | 75 |
| 5+ | 4,780 | .4 | 36 | 39 | 2,230 | .3 | 27 | 44 | 5,200 | .3 | 12 | 58 | 210 | .2 | 37 | 47 |
| Unknown | 13,680 | 1.2 | 77 | 10 | 2,830 | .4 | 95 | 0 | 13,340 | .7 | 97 | 0 | 730 | .6 | 98 | 0 |
| Marital Status | | | | | | | | | | | | | | | | |
| Married | 500,580 | 44.5 | 7 | 66 | 396,710 | 60.7 | 4 | 70 | 1,201,530 | 60.2 | 5 | 68 | 80,880 | 63.2 | 2 | 77 |
| Single | 266,720 | 23.7 | 8 | 61 | 9,650 | 1.5 | 8 | 58 | 93,030 | 4.6 | 7 | 56 | 15,270 | 11.9 | 8 | 68 |
| Divorced | 153,660 | 13.7 | 7 | 66 | 50,690 | 11.0 | 5 | 64 | 170,130 | 8.5 | 6 | 59 | 11,520 | 9.0 | 4 | 70 |
| Widowed | 76,710 | 6.8 | 8 | 56 | 41,360 | 6.3 | 6 | 48 | 124,920 | 6.3 | 6 | 45 | 10,920 | 8.5 | 4 | 50 |
| Separated | 110,480 | 9.8 | 10 | 63 | 33,350 | 5.1 | 9 | 57 | 118,210 | 5.9 | 9 | 56 | 8,390 | 6.6 | 8 | 63 |
| Deceased | 760 | .0 | 94 | 0 | 200 | .0 | 90 | 0 | 900 | .0 | 98 | 0 | 70 | .1 | 99 | 0 |



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| Applicant Characteristics | BEOG | | | | ACT | | | | CSS | | | | PHEAA | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total Applicants | % of Total | % Always Rejected | % Never Rejected | Total Applicants | % of Total | % Always Rejected | % Never Rejected | Total Applicants | % of Total | % Always Rejected | % Never Rejected | Total Applicants | % of Total | % Always Rejected | % Never Rejected |
| Marital Status Unknown | 16,220 | 1.4 | 80 | 9 | 121,120 | 18.5 | 9 | 65 | 289,640 | 1.5 | 13 | 57 | 900 | .7 | 99 | 0 |
| Veterans Benefits 0 | 859,080 | 76.4 | 8 | 65 | 582,890 | 89.3 | 5 | 68 | 1,490,550 | 74.6 | 6 | 65 | 95,550 | 74.7 | 4 | 73 |
| 1,001-2,000 | 23,780 | 2.1 | 15 | 46 | 12,450 | 1.9 | 7 | 24 | 29,970 | 1.5 | 9 | 18 | 3,810 | 3.0 | 8 | 33 |
| 2,001-3,000 | 23,660 | 2.1 | 10 | 59 | 5,970 | 9.1 | 5 | 67 | 16,460 | .8 | 8 | 55 | 3,030 | 2.4 | 8 | 67 |
| 3,001-4,000 | 26,670 | 3.3 | 12 | 57 | 6,350 | .9 | 6 | 62 | 15,210 | .8 | 8 | 57 | 2,240 | 1.8 | 7 | 68 |
| 4,001-5,000 | 11,350 | 1.0 | 10 | 62 | 2,330 | .4 | 9 | 65 | 5,560 | .3 | 13 | 60 | 760 | .6 | 8 | 78 |
| 5,001-6,000 | 7,440 | .7 | 14 | 59 | 1,980 | .3 | 6 | 68 | 4,070 | .2 | 8 | 61 | 540 | .4 | 17 | 61 |
| 6,001-7,000 | 270 | .0 | 14 | 55 | 80 | .0 | 25 | 50 | 210 | .0 | 17 | 61 | 0 | 0 | 0 | 0 |
| 7,001+ | 420 | .0 | 39 | 42 | 40 | .0 | 25 | 0 | 790 | .0 | 59 | 16 | 0 | 0 | 0 | 0 |
| Unknown | 213,200 | 18.9 | 18 | 53 | 47,540 | 7.3 | 13 | 53 | 471,260 | 23.6 | 11 | 56 | 24,630 | 19.2 | 8 | 67 |
| Portions Earned 1 | 1,047,950 | 93.1 | 7 | 64 | 630,480 | 96.5 | 5 | 67 | 1,810,630 | 90.7 | 6 | 64 | 120,750 | 94.4 | 3 | 73 |
| 2 | 36,440 | 3.2 | 13 | 49 | 16,050 | 2.5 | 7 | 53 | 150,010 | 7.5 | 7 | 50 | 4,590 | 3.6 | 7 | 49 |
| Nontaxable Income 0 | 620,060 | 55.1 | 8 | 60 | 443,680 | 67.9 | 6 | 68 | 1,153,390 | 57.7 | 6 | 65 | 77,720 | 60.7 | 4 | 75 |
| 1-999 | 73,900 | 6.6 | 8 | 65 | 35,590 | 5.4 | 5 | 66 | 76,150 | 3.8 | 4 | 61 | 5,660 | 4.4 | 5 | 71 |
| 1,000-1,999 | 75,490 | 6.7 | 4 | 68 | 34,620 | 5.3 | 3 | 66 | 88,390 | 4.4 | 4 | 60 | 7,480 | 5.8 | 2 | 75 |
| 2,000-3,999 | 149,720 | 13.3 | 2 | 72 | 62,190 | 9.5 | 3 | 65 | 174,640 | 8.7 | 3 | 61 | 13,850 | 10.8 | 2 | 69 |
| 4,000-6,999 | 89,840 | 8.0 | 3 | 72 | 37,090 | 5.7 | 4 | 61 | 127,660 | 6.4 | 2 | 61 | 10,780 | 8.4 | 2 | 67 |
| 7,000-9,999 | 23,050 | 2.0 | 2 | 65 | 14,340 | 2.2 | 3 | 58 | 49,200 | 2.5 | 3 | 53 | 4,690 | 3.7 | 2 | 62 |
| 10,000-12,499 | 4,970 | .4 | 6 | 61 | 3,490 | .5 | 6 | 60 | 12,370 | .6 | 4 | 51 | 1,330 | 1.0 | 5 | 63 |

| Applicant Characteristics | BEOG | | | | ACT | | | | CSS | | | | PHEAA | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total Applicants | % of Total | % Always Rejected | % Never Rejected | Total Applicants | % of Total | % Always Rejected | % Never Rejected | Total Applicants | % of Total | % Always Rejected | % Never Rejected | Total Applicants | % of Total | % Always Rejected | % Never Rejected |
| 12,500+ | 5,980 | .5 | 11 | 57 | 5,230 | .8 | 12 | 55 | 14,940 | .8 | 9 | 28 | 1,500 | 1.2 | 8 | 59 |
| Unknown | 82,120 | 7.3 | 31 | 47 | 16,850 | 2.6 | 32 | 44 | 300,620 | 15.1 | 16 | 62 | 4,940 | 3.9 | 33 | 50 |
| Business Assets 0 | 893,430 | 79.4 | 7 | 65 | 197,310 | 30.2 | 7 | 66 | 1,324,180 | 66.3 | 4 | 67 | 105,430 | 82.4 | 4 | 73 |
| 1,000 | 4,470 | .4 | 17 | 26 | 5,200 | .8 | 7 | 29 | 17,660 | .9 | 8 | 33 | 1,190 | .9 | 5 | 32 |
| 1,000-4,999 | 6,150 | .5 | 1 | 67 | 7,240 | 1.1 | 4 | 67 | 21,100 | 1.1 | 2 | 68 | 1,630 | 1.3 | 0 | 75 |
| 5,000-9,999 | 3,880 | .3 | 4 | 64 | 5,390 | .8 | 3 | 64 | 13,900 | .7 | 3 | 63 | 1,150 | .9 | 1 | 77 |
| 10,000-19,999 | 4,020 | .4 | 3 | 63 | 5,660 | .9 | 3 | 64 | 14,300 | .7 | 4 | 63 | 1,020 | | 1 | 71 |
| 20,000-29,999 | 1,880 | .2 | 5 | 66 | 3,530 | .5 | 4 | 61 | 7,690 | .4 | 4 | 63 | 530 | .8 | 3 | 66 |
| 30,000-39,999 | 1,090 | .1 | 3 | 67 | 1,880 | .3 | 6 | 63 | 4,050 | .2 | 4 | 63 | 210 | .2 | 4 | 61 |
| 40,000+ | 1,340 | .1 | 7 | 60 | 3,570 | .5 | 4 | 65 | 7,040 | .4 | 7 | 62 | 570 | .5 | 6 | 73 |
| Unknown | 208,860 | 18.6 | 18 | 52 | 423,350 | 64.8 | 4 | 67 | 587,440 | 29.4 | 11 | 54 | 16,220 | 12.7 | 11 | 62 |
| Farm Assets 0 | 896,090 | 76.6 | 7 | 65 | 349,000 | 53.4 | 4 | 68 | 1,348,910 | 67.5 | 4 | 67 | 109,560 | 85.6 | 4 | 73 |
| 1,000 | 900 | .1 | 23 | 32 | 2,360 | .4 | 10 | 35 | 2,100 | .1 | 12 | 29 | 20 | .0 | 50 | 0 |
| 1,000-4,999 | 2,730 | .2 | 5 | 57 | 4,880 | .8 | 3 | 69 | 4,620 | .2 | 4 | 62 | 170 | .1 | 5 | 82 |
| 5,000-9,999 | 2,470 | .22 | 4 | 71 | 5,060 | .8 | 2 | 67 | 4,720 | .2 | 4 | 64 | 70 | .1 | 0 | 85 |
| 10,000-19,999 | 3,080 | .3 | 4 | 69 | 8,580 | 1.3 | 4 | 67 | 8,540 | .4 | 2 | 66 | 260 | .2 | 0 | 73 |
| 20,000-29,999 | 2,120 | .2 | 5 | 64 | 6,550 | 1.0 | 2 | 68 | 6,720 | .3 | 2 | 69 | 300 | .2 | 16 | 60 |
| 30,000-39,999 | 1,500 | .1 | 3 | 70 | 5,050 | .8 | 2 | 69 | 4,600 | .2 | 3 | 71 | 160 | .1 | 12 | 62 |
| 40,000+ | 3,700 | .3 | 7 | 63 | 16,370 | 2.5 | 2 | 68 | 14,770 | .7 | 4 | 66 | 450 | .4 | 0 | 80 |
| Unknown | 212,540 | 18.9 | 19 | 52 | 255,230 | 39.1 | 8 | 64 | 602,380 | 30.2 | 11 | 54 | 16,960 | 13.3 | 11 | 62 |

| Applicant Characteristics | BEOG | | | | ACT | | | | CSS | | | | PHEAA | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total Applicants | % of Total | % Always Rejected | % Never Rejected | Total Applicants | % of Total | % Always Rejected | % Never Rejected | Total Applicants | % of Total | % Always Rejected | % Never Rejected | Total Applicants | % of Total | % Always Rejected | % Never Rejected |
| Applicant's Resources-00 | 353,500 | 31.4 | 6 | 64 | 222,130 | 34.0 | 4 | 64 | 496,040 | 24.8 | 4 | 64 | 48,050 | 37.6 | 5 | 70 |
| 1-99 | 27,200 | 2.4 | 5 | 65 | 43,400 | 6.6 | 3 | 68 | 224,400 | 11.2 | 2 | 66 | 10,090 | 7.9 | 2 | 74 |
| 100-499 | 54,660 | 4.9 | 4 | 67 | 104,950 | 16.1 | 3 | 70 | 381,310 | 19.1 | 2 | 69 | 18,110 | 14.2 | 2 | 77 |
| 500+ | 34,690 | 3.1 | 2 | 69 | 71,900 | 11.0 | 4 | 71 | 277,320 | 13.9 | 3 | 71 | 16,540 | 12.9 | 1 | 75 |
| Unknown | 655,080 | 5.8 | 10 | 61 | 210,700 | 32.3 | 9 | 65 | 618,290 | 31.0 | 4 | 66 | 35,160 | 27.5 | 7 | 69 |
| Net Assets 0 | 406,570 | 36.1 | 8 | 65 | 1,550 | .2 | 3 | 14 | 253,050 | 12.7 | 8 | 60 | 20,740 | 16.2 | 7 | 66 |
| 1,000 | 134,400 | 11.9 | 7 | 65 | 770 | .1 | 7 | 14 | 244,390 | 12.2 | 7 | 64 | 11,690 | 9.1 | 5 | 72 |
| 1,000-4,999 | 76,660 | 6.8 | 4 | 65 | 600 | .1 | 3 | 16 | 85,510 | 4.3 | 5 | 65 | 6,510 | 5.1 | 4 | 72 |
| 5,000-9,999 | 66,670 | 5.9 | 4 | 64 | 650 | .1 | 6 | 16 | 84,650 | 4.2 | 4 | 65 | 7,460 | 5.8 | 2 | 71 |
| 10,000-19,999 | 80,880 | 7.2 | 4 | 66 | 1,050 | 1.6 | 2 | 12 | 174,130 | 8.7 | 2 | 68 | 17,340 | 13.6 | 1 | 75 |
| 20,000-29,999 | 44,560 | 4.0 | 2 | 69 | 580 | .1 | 0 | 10 | 160,400 | 8.0 | 2 | 72 | 16,180 | 12.6 | 1 | 78 |
| 30,000-39,999 | 26,490 | 2.4 | 2 | 69 | 310 | .1 | 0 | 19 | 114,510 | 5.7 | 2 | 74 | 11,220 | 8.8 | 2 | 79 |
| 40,000+ | 37,840 | 3.4 | 4 | 69 | 700 | .1 | 0 | 17 | 201,810 | 10.1 | 3 | 74 | 16,470 | 12.9 | 3 | 76 |
| Unknown | 251,060 | 22.3 | 17 | 53 | 646,870 | 99.0 | 5 | 67 | 678,910 | 34.0 | 11 | 54 | 20,340 | 15.9 | 10 | 61 |
| Unusual Expenses 0 | 637,980 | 56.7 | 7 | 65 | 242,990 | 37.2 | 5 | 65 | 602,310 | 30.1 | 6 | 62 | 41,890 | 32.7 | 5 | 70 |
| 1-1,000 | 285,070 | 25.3 | 5 | 65 | 288,300 | 44.1 | 3 | 69 | 733,080 | 36.7 | 4 | 69 | 58,980 | 46.1 | 2 | 76 |
| 1,001-3,000 | 63,350 | 5.6 | 5 | 65 | 89,540 | 13.7 | 4 | 68 | 217,640 | 10.9 | 4 | 69 | 15,840 | 12.4 | 3 | 75 |
| 3,001-6,000 | 6,960 | .6 | 11 | 52 | 7,780 | 1.2 | 8 | 51 | 20,080 | 1.0 | 7 | 56 | 980 | .8 | 5 | 63 |
| 6,001-9,000 | 880 | .1 | 33 | 0 | 750 | .1 | 30 | 0 | 2,200 | .1 | 19 | 0 | 120 | .1 | 33 | 0 |
| 9,001-12,000 | 440 | .0 | 37 | 0 | 380 | .1 | 33 | 0 | 690 | .0 | 15 | 0 | 70 | .1 | 0 | 0 |

| Applicant Characteristics | BEOG | | | | ACT | | | | CSS | | | | PHEAA | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Total Applicants | % of Total | % Always Rejected | % Never Rejected | Total Applicants | % of Total | % Always Rejected | % Never Rejected | Total Applicants | % of Total | % Always Rejected | % Never Rejected | Total Applicants | % of Total | % Always Rejected | % Never Rejected |
| 12,000+ | 820 | .1 | 45 | 0 | 1,120 | .2 | 44 | 0 | 960 | .1 | 36 | 0 | 50 | .0 | 0 | 0 |
| Unknown | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Unreimbursed Tuition 0 | 923,110 | 82.0 | 7 | 65 | 551,140 | 84.9 | 5 | 67 | 1,309,580 | 65.6 | 5 | 65 | 101,690 | 79.5 | 4 | 73 |
| 1-500 | 43,540 | 3.9 | 7 | 62 | 50,290 | 7.7 | 3 | 70 | 160,730 | 8.0 | 3 | 69 | 7,400 | 5.8 | 2 | 77 |
| 501-1,000 | 16,830 | 1.5 | 6 | 64 | 15,700 | 2.4 | 4 | 68 | 63,060 | 3.2 | 3 | 67 | 5,320 | 4.2 | 2 | 76 |
| 1,001-1,500 | 7,420 | .7 | 5 | 64 | 7,020 | 1.2 | 3 | 67 | 35,020 | 1.8 | 3 | 68 | 2,510 | 2.0 | 4 | 72 |
| 1,500-2,000 | 4,100 | .4 | 6 | 63 | 3,480 | .5 | 2 | 70 | 19,690 | 1.0 | 4 | 67 | 1,060 | .8 | 4 | 71 |
| 2,001-3,000 | 1,510 | .3 | 7 | 60 | 2,770 | .4 | 6 | 62 | 17,010 | .90 | 4 | 67 | 670 | .5 | 2 | 64 |
| 3,001+ | 1,610 | .1 | 13 | 53 | 1,440 | .2 | 15 | 60 | 11,450 | .6 | 10 | 63 | 420 | .3 | 8 | 57 |
| Unknown | 125,010 | 11.1 | 25 | 47 | 21,240 | 3.3 | 28 | 39 | 380,820 | 19.1 | 13 | 49 | 8,880 | 6.9 | 21 | 45 |

# APPENDIX F

# GLOSSARY OF TERMS

APPENDIX F

GLOSSARY OF TERMS

| | |
|---|---|
| ACT: | American College Testing Program. ACT's Family Financial Statement (FFS) is one of four applications with which a student may apply for a Basic Grant. (See MDE for a list of other sources.) |
| AGI: | Adjusted gross income. AGI is an application item which refers to wages, salaries, tips, farm income, dividends, interest, and business income, as reported to the Internal Revenue Service. |
| AR: | Applicant's resources. AR is an application item which refers to the total of the dependent applicant's (and spouse's) casn, savings and checking accounts, and other assets. |
| Assumption Edit: | One type of the processing system's series of computerized edits designed to check for missing information, as well as the logic and consistency of all data provided. With this edit, the processing system assumes a value for a missing or apparently incorrect application item based on other provided data. |
| BEOG: | Basic Educational Opportunity Grant. BEOG's application form is one of four forms with which a student may file for a Basic Grant. (See MDE for a list of the other sources.) |
| Comment: | An instructional message on the SER. Many comments advise the student to review the application and take further action, if necessary. The computerized comments are triggered by the processing system edits. |
| Composite Index: | An indicator used in this study to measure applicant corrections behavior. The composite index is calculated by multiplying the percentage of applicants making corrections by the effective SEI change. |
| Correction: | Following the initial application, a student may change any or all of his or her application information. A correction may be in response to an edit or the validation process, or it may be done at the student's initiative. |
| Critical fields: | The 14 application items used in this study. These items are: AGI, AR, HS, Model, MS, NA, NTI, PHE, Portions, Tax Filing Status, TP, UE, UT, and VEB. |

CSS: College Scholarship Service. CSS's Financial Aid Form (FAF) is one of four applications with which a student may apply for a Basic Grant. (See MDE for a list of other sources.)

Edit: One feature of the application processing system designed to minimize the number of student eligibility determinations made on the basis of invalid, inaccurate or incomplete data. The edits screen the applications by checking for missing information and the logic and consistency of all data provided.

Effective SEI Change: The actual point change resulting from a correction if SEIs above 1600 are set at 1600. For example, the absolute change for an applicant whose SEI goes from 500 to 2200 is 1700; however, the effective change is 1100, or 1600 minus 500.

Eligible: The status of an applicant who is qualified to receive a Basic Grant. Eligible applicants have an SEI from 0 to 1600.

HS: Household size. HS is an application item which refers to the number in the household for whom the parents (dependents) or the applicant (independents) planned to provide more than half the support during the 1979-80 academic year.

Ineligible: The status of an applicant with an SEI greater than 1600 who is not qualified to receive a Basic Grant.

Model: The dependency status--independent or dependent--of the applicant. An applicant is a dependent if he or she answered "yes" to one or more of the following application questions:

> Did or will the student live with the parents for six weeks or more in 1978, 1979, or 1980?
>
> Did or will the parents claim the student as a tax exemption in 1978, 1979, or 1980?
>
> Did or will the student receive $750 or more worth of assistance from the parents in 1978, 1979 or 1980?

MS: Marital status. MS is an application item which refers to whether the applicant (independents) or the parents (dependents) are single, married, divorced, separated or widowed.

MDE: Multiple Data Entry. Process by which an individual can apply for a Basic Grant using any one of the following four application forms:

- CSS's Financial Aid Form (FAF)
- ACT's Family Financial Statement (FFS)
- PHEAA's application
- BEOG application

NA: Net assets. NA is calculated from several application items. It equals the sum of the estimated market value of the applicant's (independent) or parents' (dependent) home, real estate, investments, business, farm, and checking and savings accounts minus the liabilities on these items.

Nonvalidation: Applicants who were not selected by the processing system to present certain documents to their financial aid administrators which confirm the accuracy of the information on their application form.

NTI: Nontaxable income. NTI is the sum of two application items which refer to the amount of social security benefits, child support, welfare, unemployment compensation, veteran's benefits (excluding veteran's educational benefits) and other income not gained through employment and not subject to U.S. income tax.

PEC: Pre-established criteria. The PEC are standards used to identify for validation those students most likely to misreport information on their application. The criteria, based on prior analyses of misreporters, set up categories of applicants with questionable information on their application or suspicious corrections behavior, and target a certain number of applicants in each category for validation. (See Appendix D)

PHE: An application item which refers to the number in the applicant's (independent) or parents' (dependent) household which planned to be enrolled at least half-time in a postsecondary educational institution during the 1979-1980 academic year.

PHEAA: Pennsylvania Higher Education Assistance Agency. PHEAA's application form is one of four forms with which a student may file for a Basic Grant. (See MDE for a list of the other sources.)

Portions: The sum of two application items which refer to the income earned through employment (wages, salaries and tips) of both the applicant and spouse (independent) or the mother and father (dependent).

| | |
|---|---|
| Pre-/Post-Eligibility: | Refers to specific transactions of nonvalidation applicants. Post-eligibility transactions are subsequent to the transaction when the applicant achieved eligible status. Pre-eligibility transactions include both the transactions prior to eligibility and the transaction when the applicant achieved eligible status. |
| Pre-/Post-Selection: | Refers to specific transactions of validation applicants. Post-selection transactions are subsequent to the transaction when the applicant is selected for validation. Pre-selection transactions includes the selection transaction and all previous transactions. |
| Random: | Refers to the small portion of validation applicants that were not selected for validation as a result of pre-established criteria. |
| Rejected: | The status of an applicant for whom an eligibility determination cannot be made because of missing information or suspiciously inconsistent application items. |
| Rejection Edit: | The most restrictive of the processing system's computerized edits. Following the receipt of a rejection edit, the applicant must provide missing information or verify or correct existing data before the SEI can be generated. |
| Reject Reason Code: | Each of the 43 reject edits is identified with a code from alpha A to Z to numeric 1 to 17. (See Appendix B for the reject edits used in this study.) |
| SEI: | Student Eligibility Index. A numeric indicator of the applicant's financial strength based on information provided on the application. When the SEI is in the eligible range--from 0 to 1600--it is combined with the applicant's educational cost to determine the size of the applicant's grant. |
| SER: | Student Eligibility Report. The SER is the official mode of communication between the processing center and the applicant. The SER notifies the applicant about his or her eligibility status and carries computerized messages about the application. The student must submit a signed SER to his or her financial aid administrator before a Basic Grant can be awarded. |
| Tax Filing Status: | Refers to the application item which asks applicants if (1) tax return figures are based on a completed return, (2) if those figures are estimated, or (3) if a tax return will not be filed for 1978. |

TP: Taxes paid. TP is an application item which refers to the amount of Federal Income Tax paid for 1978.

Transaction: Refers to the point in time when either new application information is introduced to the processing system or existing data is verified. An applicant's first transaction is the initial application. Subsequent transactions occur when corrections or verifications are made.

UE: Unusual expenses. UE is the sum of two application items: (1) the amount of medical and dental expenses not covered by insurance plus (2) the amount of loss due to theft, or damage by fire, storm, or accident not covered by insurance for 1978.

UT: Unreimbursed tuition. UT is an application item which refers to the amount of elementary, junior high, or high school tuition or fees paid for dependents in the household during 1978.

Validation: Applicants who were selected by the processing system to present certain documents to their financial aid administrators which confirm the accuracy of the information on their application form.

VEB: Veteran's educational benefits. VEB is an application item which refers to the monthly amount of educational benefits that the applicant expected to receive from the Veteran's Administration during the 1979-1980 academic year.